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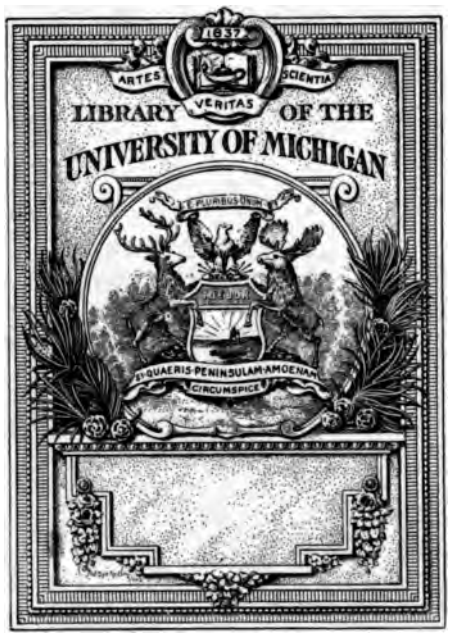

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REPORT OF THE SELECT COMMITTEE APPOINTED PURSUANT TO HOUSE RESOLUTION 288

PART 1—REPORT

MAY 12, 1908.—Ordered to be printed.

Mr. BOUTELL, from the Select Committee Pursuant to House Resolution 288, submitted the following report.

WASHINGTON.
GOVERNMENT PRINTING OFFICE
1908

HOUSE OF REPRESENTATIVES.

SELECT COMMITTEE APPOINTED PURSUANT TO HOUSE RESOLUTION 288,

MARCH 6, 1908:

HENRY SHERMAN BOUTELL, Illinois, Chairman.
FREDERICK CLEMENT STEVENS, Minnesota.
MARLIN EDGAR OLMSTED, Pennsylvania.
WILLIAM MARCELLUS HOWARD, Georgia.
ROBERT F. BROUSSARD, Louisiana.

ALONZO M. HAYNES, Michigan, Clerk.
JOHN RUTH, Pennsylvania, Stenographer.
WEBSTER M. SNYDER, Pennsylvania, Messenger.

Hearings begun March 9, 1908; closed April 30, 1908.

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HOUSE RESOLUTION 255.

[Introduced by Representative Lilley February 20, 1908, and indorsed by Mr. Lilley for reference to the Committee on Rules.]

Resolved, That a special committee of five Members of the House be appointed by the Speaker to investigate the conduct of the Electric Boat Company of New Jersey and their predecessors, the Holland Boat Company, respecting the methods employed by said companies in connection with past and proposed legislation before Congress: *Provided*, That said committee may employ a stenographer and one clerk, and is hereby authorized and empowered to send for persons and papers, to compel the attendance of witnesses, and to administer oaths, and that the expenses incurred hereunder shall be paid out of the contingent fund of the House on vouchers approved by the chairman of said committee: *Provided further*, That said committee shall report their findings to this House at such time as said investigation may have been concluded.

HOUSE RESOLUTION 288.

[Reported by the Committee on Rules March 6, 1908.]

Whereas, Mr. George L. Lilley, a Representative from the State of Connecticut, on his responsibility as a Member of this House, before the Committee on Rules, has, among other things, stated in substance that the Electric Boat Company of New Jersey and their predecessors, the Holland Boat Company, have been engaged in efforts to exert corrupting influence on certain Members of Congress in their legislative capacities, and have in fact exerted such corrupting influence: Therefore be it

Resolved, That a committee of five Members be appointed to investigate the charges made by said George L. Lilley of corrupt practices on the part of said company and of Members of Congress with respect to legislation, and that said committee shall have authority to send for persons and papers and to take testimony in Washington, District of Columbia, or elsewhere, either before the full committee or any subcommittee thereof. Said committee shall report as speedily as possible with such recommendation, if any, as to the committee shall seem meet.

REPORT OF SELECT COMMITTEE UNDER HOUSE RESOLUTION 288.

MR. LILLEY'S MOTIVE IN INTRODUCING HIS RESOLUTION.

The avowed motive for this investigation, assigned at the outset, was the purification of this House and the exposure of the alleged corrupt practices of a corporation enjoying and still seeking Government contracts. This motive was expressed before the Committee on Rules in these words of Mr. Lilley: "This Electric Boat Company has been a stench in the nostrils of the country for years, and, in my opinion, it has done more to corrupt legislation than all the other corporations on earth. I think the membership of this House is of the very highest quality, and that they are the best men, usually, from the districts from which they come; but with a flock of 383 here, it would be strange if there were not some sheep in it that had the foot-rot or scabies." The evidence has demonstrated that the avowed motive was neither well grounded nor sincere, and that certain secondary and ulterior purposes instigated and encouraged the introduction of the resolution.

The investigation was rendered imperative through charges made by Mr. George L. Lilley, a Representative from the State of Connecticut, in connection with a resolution introduced by him in the House on February 20, 1908.

Toward the close of the hearings before this committee Mr. Lilley testified that if the naval appropriation bill of this session as agreed on in committee had contained a provision that met with his approval for the purchase of submarines, he would not have introduced his resolution. The evidence further shows that before introducing his resolution, but after the naval bill had been agreed on in committee, but not reported, he told Mr. James S. Sherman, a Representative from the State of New York, that if the naval bill could be so amended that the clause relating to the purchase of submarines should provide for his conception of open competition, he would not offer the resolution. This contrast between the motive announced by Mr. Lilley, in his first appearance before the Committee on Rules and the purpose disclosed by his course during the investigation and by his final evidence before this committee, must be borne constantly in mind by one who tries to understand Mr. Lilley's attitude toward the House and interpret correctly the voluminous evidence taken by this committee.

STATUS OF THE SUBMARINE BOAT CONTROVERSY WHEN MR. LILLEY INTRODUCED HIS RESOLUTION.

A brief review of the history of the main features of the submarine boat legislation that preceded the introduction of Mr. Lilley's resolution will pave the way for an intelligent analysis of the remainder of the evidence.

For the past fifteen years the Lake Torpedo Boat Company and the Electric Boat Company (formerly the Holland Torpedo Boat Company) have been active rivals. Both corporations were chartered in New Jersey, but the main office of the Lake Company is in Bridgeport, Conn., while the Electric Company's principal office is in New York City. They are competitors for the sale of submarine torpedo boats to the United States and foreign governments. Each company controls a large number of patents, and the boats of the two companies, constructed under their respective patents, differ fundamentally from each other.

In their efforts to present to Congress and the Navy Department the merits of their boats, these companies have maintained offices and employed experienced lawyers and skillful agents in Washington. The Lake Company is now represented by Ex-Senator John M. Thurston, who was formerly counsel for the Electric Company, Abner R. Neff, and F. B. Whitney, who was at one time clerk of the House Committee on Naval Affairs; while the Electric Boat Company is represented by Ex-Senator Marion Butler and Mr. C. S. McNeir. Mr. John C. Lake, vice-president of the Lake Company, was until recently in charge of the company's office in Washington, while Mr. E. B. Frost, vice-president and general counsel of the Electric Boat Company, spends much of his time here in the interest of his company.

Each of these companies has sold its boats, or the right to construct its boats, to several governments. The rivalry between these two companies has not been simply a business rivalry between two manufacturing corporations. It has been a rivalry between jealous inventors, keen financiers, accomplished promoters of international fame, shrewd political agents, and resourceful lawyers. This rivalry has involved these companies in frequent law suits and in a bitter warfare, that has been carried on through the press on both sides of the ocean.

A submarine boat is not a new invention. One was designed, constructed, and successfully navigated previous to the invention of the steam engine, and used in New York Harbor in 1776 in an attempt to destroy a British ship anchored off Governors Island. In 1801 Fulton invented a submarine boat and gave exhibitions at Paris which were successful in diving and remaining under water, but failed to operate against the British ships.

During the civil war a submarine boat was constructed at the Washington Navy-Yard for the purpose of destroying the *Merrimac*, which was propelled by hand power, as were all other submarine boats up to that time. It was not until the invention of the storage battery that any great improvement could be made in the operation of submarine boats. (Testimony of Admiral Bradford before the House Committee on Naval Affairs, 1901, page 67.)

The submarine boat of the diving type as now constructed had its origin in the inventions and experiments of Capt. John P. Holland on the Passaic River, New Jersey, in 1877, which were continued in New York Harbor from 1881 to 1883. In 1888 for the first time the United States Government gave consideration to this means of naval defense, when Secretary of the Navy Whitney allotted out of the appropriation for harbor and coast defenses a sum to be expended for experiments in submarines. Competition was invited, in which participated Capt. John P. Holland and Mr. Nordenfelt, a constructor of submarine boats resembling the even-keel type. The Holland boat won, but no contract was awarded.

In 1889 Secretary of the Navy Tracy again advertised for competition in the construction of submarines, and in the test there participated Messrs. Holland, Nordenfelt, and Baker, of Iowa. Mr. Holland again won, but no contract was awarded as the result of this test, since the funds were needed elsewhere (page 175).

In 1893 bids for submarines were submitted to the United States Government by four inventors Two of those competitors were Mr. J. P. Holland, inventor of the Holland torpedo boat, and Mr. Simon Lake, founder of the Lake Torpedo Boat Company. No submarine boat had then been built in the United States, and the decision of the Navy Department upon which the first contract was made was based on plans and specifications. The Holland type of boat was approved by the Navy Department, and in March, 1895, a contract was signed with the Holland Torpedo Boat Company for the construction of one boat. During the next seven years contracts were awarded to this company for seven additional boats. By 1903 the Lake company had completed the construction of a boat, and the two companies requested the Navy Department to test the merits of their respective boats by actual water competition.

The Holland boat met the rigid requirements which were prescribed by the Government, but the Lake boat was withdrawn from the contest. Contracts for four more boats were awarded to the Electric Boat Company in 1905.

The naval appropriation act of June 29, 1906, authorized the Secretary of the Navy to contract for or purchase additional submarine torpedo boats to an amount not exceeding $1,000,000, after such tests as he might see fit to prescribe to determine the comparative efficiency of the different boats for which bids might be submitted, provided that such tests should take place within nine months from the date of the passage of the act.

The naval appropriation act of March 2, 1907, increased the amount for submarines to $3,000,000, extended the test period to May 29, 1907, and contained this proviso: "No part of this appropriation to be expended for any boat that does not in such test prove to be equal, in the judgment of the Secretary of the Navy, to the best boat now owned by the United States or under contract therefor, and no penalties under this limitation shall be imposed by reason of any delay in the delivery of said boat due to the submission or participation in the comparative trials aforesaid."

Under this legislation the trials came off at Newport during the month of May of last year. The Lake company entered their boat, called the *Lake*, and the *Octopus* was submitted by the Electric com-

pany. The tests were exhaustive and lasted through four weeks. The trial board, composed of Capt. Adolph Marix, Naval Constructor D. W. Taylor, Commander D. W. Walling, Lieut. Commander W. Strothers Smith, and Lieut. J. W. Timmons, reported unanimously in favor of the *Octopus* type of boat. This report is dated May 30, 1907 (page 308).

This report was unanimously approved on the 22d day of June, 1907, by the board on construction, composed of Rear-Admiral George A. Converse, Admiral C. W. Rae, Admiral W. L. Capps, Admiral N. E. Mason, and Admiral W. S. Cowles.

The Secretary of the Navy and the law officer of the Navy Department considered that the Secretary was bound, under the act of March 2, 1907, to award a contract for the entire amount of the appropriation to the Electric Boat Company. He was, however, induced to refer to the Attorney-General the question as to his right to make a contract with a company other than the one that had been successful in the tests. The attorneys of the two companies filed briefs with the Attorney-General, and he rendered a decision in favor of the contention of the Lake Company.

On February 3, 1908, a contract was made with the Lake Company for the construction of one boat, contracts having previously been made with the Electric Company for seven boats.

On the 5th day of February, Representative Sperry, of Connecticut, introduced in the House a bill for the appropriation of $2,000,000 for the purchase of submarine torpedo boats, the contracts to be awarded to the lowest bidders upon "Guaranteed performances equal to the published requirements of the Secretary of the Navy."

THE ITEM FOR SUBMARINE BOATS IN THIS YEAR'S NAVAL APPROPRIATION BILL.

On February 10 the House Committee on Naval Affairs agreed upon the appropriation bill for this year. The clause relating to submarines was in these words:

"The Secretary of the Navy is hereby authorized, in his discretion, to contract for or purchase one destroyer or torpedo boat of the type known as subsurface, semi-submerged (or the like), the essential feature of which is to have during its operation some portion of the hull or superstructure always on or above the surface, such vessel to cost not to exceed $400,000, and to have a speed not less than 22 knots; also for two small vessels of like type having a speed of not less than 16 knots and to cost not to exceed $22,500 each: *Provided*, That before any vessel of the type provided for in this paragraph shall be purchased or contracted for a vessel of such type shall have been constructed complete and of full size for naval warfare and submitted to the Navy Department for such trial and tests as the Secretary of the Navy may, in his discretion, prescribe, and as the result of such tests, be demonstrated to have fulfilled all the reasonable requirements of naval warfare for a vessel of its class, and for these vessels the sum of $445,000 is hereby appropriated to be available until expended."

The report of the Secretary of the Navy for the year 1907 (page 268) contained the following recommendation:

"Four submarines (of the same type as those recommended as a result of the recent competitive tests), provided a more satisfactory type is not developed in the meantime."

COMMENTS OF THE PRESS ON THE ACTION OF THE NAVAL COMMITTEE.

Soon after this action by the Committee on Naval Affairs a series of articles appeared in a New York paper, in which it was suggested that the Electric Company had succeeded in defeating the battle-ship proposition and in securing thereby exclusive legislation for its own benefit. In one of these articles, published on the 15th of February, appeared for the first time the claim that, according to the testimony of Admiral Bowles in 1902, $745.45 a ton was a reasonable price for submarine boats, and that on this basis the Electric Boat Company would reap an excess profit of $1,476,296.60.

MR. LILLEY'S RESOLUTION.

Such in general was the situation as it was known to the public with regard to legislation respecting submarines, when, late in the afternoon of Thursday, February 20, 1908, Mr. Lilley introduced his resolution by having his clerk give it to a page to drop in the basket on the Clerk's desk. What Mr. Lilley knew that the public did not know, what other measures had been taken, and what schemes had been laid by the two companies, or either of them, to further their own ends will become apparent from a further analysis of the testimony.

A critical examination must now be made of the full text of Mr. Lilley's resolution.

"*Resolved*, That a committee of five Members of the House be appointed by the Speaker to investigate the conduct of the Electric Boat Company, of New Jersey, and their predecessors, the Holland Boat Company, respecting the methods employed by said companies in connection with past and proposed legislation before Congress: *Provided*, That said committee shall have the power to send for persons and papers, to examine witnesses under oath, and may employ a stenographer and one clerk, and shall report the result of its investigations to the House with such recommendations as it may deem proper: *Provided further*, The expenses incurred hereunder shall be paid out of the contingent fund of the House on vouchers approved by the chairman."

The resolution was indorsed by Mr. Lilley to be referred to the Committee on Rules. It will be observed that the resolution makes no reference to Members of Congress or to any one but the Electric Boat Company. It does not charge the company with corruption or misconduct. It asks for an investigation of the conduct of the company respecting the methods employed by it in connection with past or proposed legislation, but it does not even suggest the nature of the legislation the author had in mind or what conduct or methods are to be examined. It was therefore not a privileged resolution under the rules of the House, and could not be called up by its author in case the committee to which it was referred did not report it. On its face the resolution disclosed no grounds for its report or even consideration by a committee.

Shortly after the introduction of the resolution the attention of the Committee on Rules was called to a number of newspaper articles purporting to give interviews with Mr. Lilley, in which he charged

the Electric Boat Company with bribery and corruption and coupled Members of the House with these charges, and mentioned several Members by name.

On February 25 Mr. Lilley appeared before the Committee on Rules and was questioned, but not under oath, respecting the charges contained in these interviews. He repudiated all the interviews but one, denying every statement that had been attributed to him respecting Members of the House whom he was alleged to have mentioned by name. He admitted the authenticity and acknowledged the accuracy of an article that appeared in the Washington Post of February 21. He also read to the committee a statement on his responsibility as a Member.

The grounds on which the Committee on Rules reported its resolution directing an investigation are to be found in the charges of Mr. Lilley, which are contained first in his statement before the Committee on Rules; second, in his responses to the inquiries by members of that Committee, and third in the Washington Post article. His whole "case," as he called it, against Members of the House, the officials of the Navy Department, the representatives of the press, and the Electric Boat Company and its officers is embraced in the report of the Committee on Rules, which is printed in full on pages 1 to 13 of the published hearings of this committee.

MR. LILLEY'S CHARGES.

Mr. Lilley's charges were—

First. That the proposition to appropriate for four battle ships was defeated through the influence upon members of the committee of the Electric Boat Company, and that thereby an appropriation for eight submarines was secured.

Second. That the Electric Boat Company has maintained in Washington an organized lobby for influencing appropriations in favor of that company.

Third. That Mr. E. B. Frost, an officer of the company, has spent large sums of money in furnishing entertainment for Members of Congress.

Fourth. That the Senate amendment to the naval appropriation act of March 2, 1907, was prepared by an attorney of the Electric Boat Company and was designed to limit the appropriation exclusively for the benefit of that company.

Fifth. That the Electric Boat Company has contributed to the campaign fund of the Members of Congress who favored the Electric Boat Company's monopoly of submarine construction.

Sixth. That the Electric Boat Company has spent large sums of money to defeat members of the Naval Committee who did not favor the Electric Boat Company.

Seventh. That the Electric Boat Company has attempted to influence officials of the Navy Department in its behalf.

Eighth. That the efforts of the Electric Boat Company have resulted in suppressing all possibility of competition in submarine construction.

Ninth. That the company has been engaged in "doubtful and reprehensible efforts to influence Members of Congress and officials of

the Navy Department in favor of their boats and appropriations therefor."

Tenth. That the Electric Boat Company has subsidized members of the press in its interest.

Eleventh. That the Electric Boat Company is, "using wrongful methods in most every Member's district who serves on the Naval Committee."

Twelfth. That these corrupt practices "apply to Members of the present Congress touching business before the present Congress."

Thirteenth. That attorneys have been retained by the Electric Boat Company in many Congressional districts solely for the purpose of influencing the Representative from that district in favor of the Electric Boat Company's interest.

Fourteenth. That in some districts attorneys have been induced by the Electric Boat Company to become candidates for Congress against Members who have opposed the company's interests.

Fifteenth. That "this Electric Boat Company has been a stench in the nostrils of the country for years, and in my opinion it has done more to corrupt legislation than all the other corporations on earth."

Sixteenth. That "with a flock of 383 here" [in the House of Representatives] "it would be strange if there were not some sheep in it that had the foot-rot or scabies. I think the disease ought to be eradicated before it spreads."

COMMITTEE ON RULES REPORTS RESOLUTION FOR INVESTIGATION.

Such grave charges made by Mr. Lilley, on his responsibility as a Member of the House, could not be ignored, and on March 6, the Committee on Rules reported House Resolution 288, which was on the same day unanimously adopted, as follows:

"*Whereas*, Mr. George L. Lilley, a Representative from the State of Connecticut, on his responsibility as a Member of this House, before the Committee on Rules, has, among other things, stated in substance that the Electric Boat Company, of New Jersey, and their predecessors, the Holland Boat Company, have been engaged in efforts to exert corrupting influence on certain Members of Congress in their legislative capacities, and have in fact exerted such corrupting influence: Therefore be it

"*Resolved*, That a committee of five Members be appointed to investigate the charges made by said George L. Lilley of corrupt practices on the part of said company and of Members of Congress with respect to legislation, and that said committee shall have authority to send for persons and papers and to take testimony in Washington, District of Columbia, or elsewhere, either before the full committee or any subcommittee thereof. Said committee shall report as speedily as possible with such recommendation, if any, as to the committee shall seem meet."

Immediately upon the adoption of the resolution this committee was appointed.

MR. LILLEY'S STRANGE ATTITUDE TOWARD THE INVESTIGATION.

On Saturday, March 7, the committee organized, and requested Mr. Lilley to attend a meeting on the following Monday and give the committee all the evidence in his possession. In view of the serious

character of his charges and insinuations against his fellow Members, he was bound in honor so soon as this committee was appointed to make it the recipient of every fact in his possession on which his accusations and suspicions were founded, especially as he had asserted before the Committee on Rules that he was "not talking on hearsay."

Instead of adopting this natural course, he wrote to the committee on the 7th, asking to be advised of the first meeting so that he might appear and arrange with the committee "as to the time, manner, and procedure of beginning and conducting the investigation."

MR. LILLEY REFUSES TO TESTIFY WITHOUT THE AID AND ADVICE OF COUNSEL.

When the committee met on March 9, and Mr. Lilley was asked to give his evidence, he declined to testify, but read to the committee a statement respecting the importance of having unwilling witnesses examined by some one skilled in the art of cross-examination. He then requested that he be allowed to be represented before the committee by counsel who should be empowered to examine such witnesses as he should call.

He then informed the committee that he was being shadowed by detectives, who were hampering him in connection with this investigation.

Then he read the names of witnesses whom he wished to have summoned, several of them by subpœnæ duces tecum. He was assured that all his requests would be considered by the committee, and was again asked to give the committee such facts as he had in his possession. He declined to testify until he could consult with counsel, or to proceed with any statement except by the advice of counsel. He was told that he could, of course, appear with counsel, and consult with counsel at all times, even while testifying, but that he hardly needed counsel to examine himself. He declined, however, to give the committee any facts upon which they could proceed, and the committee was compelled to adjourn until the 12th.

MR. LILLEY'S EXPECTATION THAT HE WOULD BE CHAIRMAN AND HAVE CHARGE OF THE INVESTIGATION EXPLAINS IN PART HIS ATTITUDE.

Mr. Lilley's singular attitude toward the investigation which his charges had instituted, his somewhat incoherent and irrelevant statements to the committee and his unwillingness to give to the committee those facts on which his charges were based and which they thought he ought to be quick to impart, puzzled the committee more at the time than they would have done had the committee known what the evidence subsequently disclosed, that Mr. Lilley expected, when he introduced his resolution, to be made chairman of the investigating committee (pp. 1514, 1515), with power to employ counsel, and conduct the proceedings, and thus be relieved of the necessity of either disavowing or making good his charges against his colleagues. The appointment of this committee, however, relieved Mr. Lilley of all responsibility for the conduct of the investigation, and simply left to him the duty of communicating to the committee the information on

which he based the charges made by him on his responsibility as a Member of the House.

This committee has always had power to employ counsel for cross-examining witnesses, and for all other purposes; but the committee have never felt the necessity of calling in such assistance. Mr. Lilley had no right to determine what counsel should aid in conducting this investigation. That was for the committee to decide. Therefore in denying his request that counsel employed by him should examine under his direction witnesses called by him before the committee this committee did not deprive Mr. Lilley of any right or privilege to which he was entitled. On the other hand, his request that he should be allowed to dictate the selection of counsel and the procedure of the committee, thereby substituting himself for the committee, was not only extraordinary but unprecedented. Much more reasonable would have been a request from his colleagues, whom he had placed under suspicion, that they should be allowed to employ counsel to examine and cross-examine witnesses for the purpose of clearing their names from the accusations that had been made against them.

So, when the committee met on March 12, this resolution, which had been adopted in executive session, was read for the information and guidance of Mr. Lilley and all other persons interested:

"*Resolved*, That Hon. George L. Lilley, the Electric Boat Company, and such other parties affected by the investigation as may desire to do so, may be accompanied by and consult with counsel in all public hearings of the committee; and that in view of these circumstances and in accordance with the well-established precedents of both Houses of Congress for insuring the orderly conduct of such investigation, the examination of all witnesses shall be conducted by a member of the committee to be designated for that purpose from time to time by the chairman; and that such questions or course of examination as parties interested, or their counsel, may desire shall be submitted in writing to the committee."

In accordance with the rule of procedure laid down in this resolution the work of the committee proceeded in an orderly, dignified, and expeditious manner, and the committee feel that no party in interest was deprived of any right or privilege, and that no essential facts were withheld from the committee that could have been elicited by any other method of procedure. All witnesses named by Mr. Lilley were summoned, all lines of inquiry suggested by Mr. Lilley were followed out, and all pertinent questions submitted by him were rigidly pressed upon the witnesses. The number of written questions submitted by him to certain witnesses exceeded two hundred. At no time did the committee feel the need of counsel to develop the exhaustive line of inquiry embraced in and suggested by Mr. Lilley's interrogatories.

MR. LILLEY APPEARS BY COUNSEL AND READS ANOTHER STATEMENT.

At this hearing Mr. Lilley appeared accompanied by his personal counsel, Mr. Frank P. Brown, of Norwich, Conn., and Hon. Styles Judson, of Bridgeport, Conn. The committee had previously written

COUNSEL FOR THE LAKE TORPEDO BOAT COMPANY PREPARED ALL THE STATEMENTS OF MR. LILLEY.

After this investigation had been in progress for some weeks it was disclosed, through the admission of Ex-Senator Thurston himself, the counsel for the Lake Torpedo Boat Company, that he prepared the statement which Mr. Lilley read on his responsibility as a member before the Committee on Rules, the statement read before this committee on the 9th of March, and, in part, the statement read before this committee on the 12th of March, in the preparation of which Messrs. Brown and Judson also participated.

Not only were these statements which Mr. Lilley read as his own and on his responsibility as a member prepared by the attorney of the Lake Company, but the entire series of questions to be propounded to witnesses by way of cross-examination that were addressed to the committee and signed by Mr. Lilley were prepared either by Senator Thurston or by Neff and Whitney. The subpœnæ duces tecum which the committee sent to Mr. Lilley, so that he could fill them out and call for whatever books and papers he intended to lay the foundation for, were filled out by the Lake Company's counsel. And, finally, the names of witnesses had to be furnished Mr. Lilley by officers of the Lake Company, and the numerous letters and statements sent to the committee by Mr. Lilley, and signed by him, and compilations of statistics and newspaper clippings and several affidavits laid before the committee by Mr. Lilley, were all prepared by officers or agents of the Lake Company. These facts were not disclosed to the committee by Mr. Lilley, and only became apparent from the evidence of other witnesses after the hearings had been in progress for a month. It will be seen that Mr. Lilley was never embarrassed by lack of counsel, but that, on the contrary, he enjoyed from the outset, without cost to himself, the advice and assistance of a learned and experienced lawyer and skilled parliamentarian, who was familiar with the entire history of the submarine controversy.

Mr. Lilley's intense desire to conceal from your committee his indebtedness to the officers and agents of the Lake Company for all his information and his most valuable advice and assistance which led him throughout his testimony, and especially in the earlier part of these hearings, to testify in many instances with an inaccuracy that can not be explained in any manner creditable to him. During the first days of the examination, and on the 12th of March, he was asked (pages 52–53):

"Q. You have mentioned, I think, one or two attorneys in Washington as representing, you said, the Lake Company. Upon that subject you speak, I understood, of your own knowledge?—A. Yes, sir.

"Q. Have they approached you, or attempted to influence you?—A. Never.

"Q. Or have you consulted with them?—A. Never.

"Q. I mean with reference to anything pending before the Naval Committee or this committee?—A. No; not until after the introduction of my resolution.

"Q. What then?—A. I have talked on two or three occasions since that with Senator Thurston.

"Q. With reference to this investigation?—A. Such information as I could gain from him, that he was willing to give me.

"Q. Did he prepare or assist in preparing any of the statements you submitted to us?—A. The subject-matter of all the statements I have submitted to you has been my own. Mostly formulated in my own mind, after consulting with two eminent Members of the House of Representatives.

"Q. Did you consult with Senator Thurston about the form of them or anything about them?—A. No; not as to the form of them."

A month later it was disclosed through the testimony of Senator Thurston and Neff that, as we have stated, Senator Thurston prepared the form of two of Mr. Lilley's statements. At the very time Mr. Lilley was trying to give to your committee the impression that the statements were his own, and made on his own responsibility, and that no one else was responsible even for their form, he was holding in his hand a statement dictated by the counsel for the Lake Torpedo Boat Company. When examined more specifically as to his sources of information, he said:

"Then I must decline to explain the preparation of my case.

"Q. On what grounds?

"A. On the ground that it is not pertinent to this investigation. I will take the responsibility for what I have read."

More marked still was his effort at deception in speaking of Abner R. Neff, the agent of the Lake Torpedo Boat Company in Washington. When asked how he came to consult Senator Thurston, he said:

"My impression is that Mr. Neff, or Neth, whichever it is, the young man who represents the Lake Company, came to me after I had introduced the resolution and asked me if I would like to have a consultation with Senator Thurston, not at my expense. * * *

"Q. You say Mr. Neth represented the Lake Boat Company?

"A. I expect he does" (page 54).

Again (page 56), when Senator Thurston and Neff were referred to he said:

"I never saw any of these men until after my resolution was introduced, neither one of them, except that a young man some time back wanted me to suggest a motion in substitution of the Loudenslager motion to give open competition in submarines."

When he was asked for Neff's address, the question was, "Can you give us the name of Mr. Neff; do you know how he spells his name?"

"A. It is either N-e-f-f or N-e-t-h. I don't know where he lives nor what his initials are" (page 61).

It subsequently developed through the testimony of Senator Thurston and Neff that Neff had been holding almost daily conferences with Mr. Lilley, beginning with the night of the introduction of his resolution, and helping him in the preparation of his case. Furthermore, when Mr. Lilley said that he had never seen or known him before the resolution was introduced it must have been difficult for him to forget that he had a conference with him on February 10, 1908, immediately after the action of the Naval Committee; that he went down in one of the Lake Torpedo Boat Company's boats with him in the previous summer; that in the same summer Neff spent a night at his hotel in Waterbury, dictated a telegram for him to send to the Secretary of the Navy in the interest of the Lake

Torpedo Boat Company, and held a long conference with him in his office in the preparation of a letter to be sent by Mr. Lilley to the Secretary of the Navy.

Equally suggestive of an intent to deceive was his testimony on March 12, 1908, relating to his acquaintance with Mr. Simon Lake and Mr. J. C. Lake. He was asked (page 57):

"Q. Did you have a letter from any other company?—A. No; no letter from any other company. If you mean by that if I heard from the Lake people or Simon Lake or any of those people—is that what you are driving at?

"Q. Yes.—A. That is what you want to know; I have not seen or heard from any of them.

"Q. I didn't have them in mind, but I had these others——A. I have had no communication, nor have seen any of the Lakes, father or son, J. C. or Simon."

And yet, notwithstanding these positive denials of having seen or heard from either of the Lakes, when Mr. Metcalf, Secretary of the Navy, produced the letters that he had received from Mr. Lilley in the interest of the Lake Torpedo Boat Company, it was found that one of them began:

"My constituent, Mr. J. C. Lake, writes me," etc. (page 1503), and when Mr. Simon Lake was on the stand, he testified, that immediately after the action of the Naval Committee on February 10, 1908, he held a conference with Mr. Lilley at a hotel at New Haven, Conn. (pages 1061–1062), with reference to the action of the committee and Mr. Lilley's attitude toward the bill. This interview must have been between the 13th and 18th of February, 1908, under circumstances that must have impressed themselves indelibly on Mr. Lilley's mind, and yet in less than a month he swore to your committee that he had not seen him. These instances of unjustifiable inaccuracy in Mr. Lilley's evidence are sufficient to show the effort which he made to conceal from your committee his lack of all information to sustain his charges against Members of Congress and the Electric Boat Company except such as he received from the officers of the rival corporation, the Lake Torpedo Boat Company.

THE INAUGURATION OF THE LAKE TORPEDO BOAT COMPANY'S PROPAGANDA TO DEFEAT THE SUBMARINE CLAUSE IN THE APPROPRIATION BILL.

The Lake Torpedo Boat Company signed its $450,000 contract with the Government on February 3, 1908. The Government having to this extent shown its approval of the *Lake* type of boat, the Lake Company determined to exert every effort to secure in this year's bill an appropriation for submarines that would not favor the winner in last year's tests, but would make the appropriation subject to another competition or leave it exclusively to the Secretary of the Navy. To secure this result was the object of Mr. Simon Lake's conference with Mr. Lilley at New Haven about February 14 (pages 1061–2).

"I called on him and asked him if it was a fact that the Naval Committee had passed such an exclusive or made such an exclusive provision, and he admitted that it was. Well, I said, that being the case, if it passes the House and Senate, it seems to me that it would be very foolish for the Lake Boat Company to further continue efforts for recognition in the United States.

* * * * * * *

"Q. Had his resolution calling for an investigation been offered at that time or not?—A. Oh, no; no. The resolution, I think, followed quite a little time after that. I know that I felt rather disappointed at what I considered Mr. Lilley's lukewarmness to one of his constituents, as we considered ourselves one of his constituents, and I immediately came down and made a provision to start a propaganda of my own to see if I could not educate the Members of Congress up to the point of recognizing the merits of the *Lake* type of boat."

Again, when asked whether he had any regret that this investigation had been started, Mr. Lake said (page 1104):

"Well, I don't recollect who I expressed it to I had a regret; I stated, I think, in this connection that we had decided on a propaganda by means of which we hoped to bring to the attention of Members of Congress the fact that all important governments had now finally adopted practically as a standard the type which I first submitted to this Government fifteen years ago, and that we had started that line to inform them of that fact. Of course, naturally, we wanted submarine legislation, but we wanted submarine legislation that would permit us to bid and with a chance of securing contracts, providing we were able to meet the Department requirements, which we knew we were."

Ex-Senator Thurston and Neff were active agents in the propaganda. Neff, having testified that he had called on Mr. Lilley immediately after the action of the Naval Committee on February 10, 1908, being asked when he next met Mr. Lilley, he replied (page 1201):

"A. Oh, I don't know when I next met him. I did not meet very many people after that. The thing was pretty dull. Senator Thurston and I got together and we prepared to fight that on the floor of the House, and we had the whole thing prepared, and we were to fight on the floor of the House for open competition on the broad lines that it was for the best interests of the United States Government to foster competition, and we were a competing company to bid for the business; and we felt confident that Congress would give us that opportunity, and my time after that was principally spent with Senator Thurston.

"Q. In what way were you going to make a fight on the floor of the House?—A. We were simply going to base it on the restrictive features of past legislation and ask that those would be removed.

"Q. I know, but you would not have had access to the floor of the House yourself.—A. We were going to ask whatever Representative would be interested in such a fight. We had not decided upon any particular Representative as yet whom we would have, but I had in mind two or three Members of Congress.

"Q. Whom did you finally determine upon to make the fight?—A. Mr. Hill, I think, is the man that I had in mind. I think he was a Representative from the Bridgeport district.

"Q. A very good man.—A. And I thought we would ask him. Our remarks were not personal or directed against our competitors; they were simply on the broad principle of competition, and we intended to make a fight along those lines.

"Q. And you would have furnished the information for the argument?—A. The Senator and I discussed it together.

"Q. What part was Mr. Lilley to take?—A. We had not given him any part. He had not been very favorable to us and we wanted somebody to fight.

"Q. You did not consider him much of a fighter?—A. We did not think he had fought very hard for us up to that time and it was tried material we wanted."

CHRONOLOGY.

A chronological narrative of the related events that preceded and followed the inauguration of this propaganda of the Lake Torpedo Boat Company to secure a modification of the submarine clause, as agreed upon in the Naval Committee, will show the part that Mr. Lilley's resolution and this investigation played in the propaganda.

1906.

Mr. Lilley goes on the Naval Committee in the first session of the Fifty-ninth Congress and votes for the committee item for submarines (pages 1357, 1551).

This vote Mr. Franklin Taylor, a lifelong personal and political friend of Mr. Lilley's and a manufacturer who supplied materials used in the construction of submarines, thought, was due largely to a request made of Mr. Lilley by him, for when Mr. Lilley returned to Connecticut he said to his friend, "I voted yes, Franklin, and your face was in front of me when I voted" (page 481).

1907.

Mr. Lilley votes for the committee item for submarines (page 1357). The naval appropriation act of March 2, 1907, contains an appropriation for submarines and for a competitive test to be concluded by May 29, 1907.

Only the Lake Company and the Electric Company entered boats for the tests, which were held at Newport, R. I., and completed on the 29th of May.

May 29.

Water test completed at Newport.

May 30.

Unanimous report of the trial board, known as the "Marix board," finding that the electric boat is superior in all particulars (page 308).

June 22.

Unanimous report of the board on construction, approving the findings of the Marix board. The same approved by Admiral Dewey and the Secretary of the Navy (pages 308–311).

June 29.

Prior to this date Mr. John C. Lake, vice-president of the Lake Torpedo Boat Company, requests the Secretary of the Navy to refer

to the Attorney-General the question whether the Government is bound to let all the contracts to the winner in the test (pages 1225–1226). Senator Thurston, counsel for the Lake Torpedo Boat Company, writes the Secretary of the Navy, urging that the question be referred to the Attorney-General (page 1050). He subsequently filed a brief with the Department in behalf of his client (page 1049).

July 30.

The Attorney-General gives an opinion in favor of the contention of the Lake Torpedo Boat Company (page 271).

August 7.

Mr. J. C. Lake, vice-president of the Lake Torpedo Boat Company, writes to Mr. Lilley as follows:

"[The Lake Torpedo Boat Company, submarine torpedo boats. Simon Lake, president; J. C. Lake, vice-president; L. B. Miller, treasurer; Henry J. Miller, secretary.]

"WASHINGTON, D. C., *August 7, 1907.*

"Hon. G. J. LILLEY,
Member of Congress, Waterbury, Conn.

"DEAR MR. LILLEY: As you are probably advised, the Attorney-General has given an opinion in accordance with our views—that the late legislation of Congress does not interfere with the absolute discretion of the Secretary of the Navy in awarding contracts for submarines. This of course is very gratifying, but strong efforts will be made by the Holland people to secure contracts for the greater part of the present appropriation of $3,000,000.

"I had hoped to see you in person, but am confined to my bed under the advice of physician, and I therefore have asked the bearer, Mr. A. R. Neff, to go to Waterbury for the purpose of laying the matter before you. He will give you Mr. Thurston's brief, the opinion of the Attorney-General, and also show you the telegram and letters we have addressed to the Secretary of the Navy in California.

"While we do not anticipate that the Secretary will authorize the Assistant Secretary to make these awards before the Secretary returns to Washington, yet there is danger that he may do so. In view of this, I trust that you will give careful consideration to the facts Mr. Neff will present, and I respectfully request you to address a telegram to the Secretary and supplement it by as strong a letter as I know you can write, urging him not to decide as to how the appropriation shall be expended until he can return to Washington and personally examine not only the reports of the seagoing tests, but the plans and specifications submitted with our bids. I am satisfied that if you will do this, the Secretary will become convinced that the Lake Company should be awarded contracts for at least one-half of the boats authorized by the appropriation.

"This is a critical time for the Lake Company, and a decision in its favor along the lines suggested will be of the utmost value. Please make this letter to the Secretary as strong as possible, and I assure you that any efforts in our behalf will be very greatly appreciated.

"You know that the strongest possible efforts will be made by our competitor to enlist some very strong political advocacy for their boats, and I feel that this is a time when the State of Connecticut through you can be heard to great advantage.

"Respectfully,

"_____ _____,
"*Vice-President.*"

(Page 1310.)

August 9.

The above letter was taken to Waterbury by Abner R. Neff, who was commissioned with a special message from Mr. J. C. Lake, to Mr. Lilley. Spends the night at Mr. Lilley's hotel (page 1311).

August 10.

At the request of Mr. Lake and Neff, Mr. Lilley sent the following telegram:

WATERBURY, CONN., *August 10, 1907.*

"Hon. VICTOR H. METCALF:

"Your favorable consideration interests my constituents Lake Company solicited. See letter.

"GEO. L. LILLEY."

(Page 1502.)

He reinforces the telegram by the following letter:

[George L. Lilley, at large, Connecticut, Naval Affairs. House of Representatives U. S., Washington, D. C.]

"(Stamped:) Office of the Secretary, Navy Department. Received Sept. 3, 1907.

WATERBURY, CONN., *August 10, 1907.*

"SIR: I understand the late legislation of Congress does not interfere with the absolute discretion of the Secretary of the Navy in awarding contracts for submarines, and it will no doubt appeal to you that for the best results keen and active competition must supplant monopoly. Such competition will benefit the Navy in two ways:

"1. A monopoly of the business by one company would result in exorbitant prices after this policy had destroyed its competitors, but competition means the best for the least money.

"2. A monopoly of the business would do away with the keen rivalry for improvements. Active competition will bring out the best in the shortest time.

"I sincerely hope that before awarding the contract you will examine not only the reports of the sea-going tests, but also the plans and specifications submitted by the Lake Company, and that you will see your way clear to divide the business.

"Yours, very sincerely, "GEO L. LILLEY.

"To the Honorable VICTOR H. METCALF,
"*Secretary of the Navy.*

"(Copy sent to Fouts Springs.)"

(Page 1503.)

September 23.

Mr. Lilley sends the following letter to the Secretary of the Navy:

"[George L. Lilley, at large, Connecticut—Naval Affairs. House of Representatives, U. S., Washington, D. C.]

"(Stamped:) Office of the Secretary, Navy Department, received Sept. 24, 1907.

"The Honorable VICTOR H. METCALF,

"*Secretary of the Navy, Washington, D. C.*

"MY DEAR SIR: My constituent, Mr. J. C. Lake, writes me you are in doubt as to the intention of the Naval Committee and the House in the matter of submarines.

"As for the attitude of the House toward Mr. Robert's argument, nobody listened to it when it was made. Neither the House nor the untrammeled members of the Naval Committee would care whether the boats were on paper or completed, as long as when delivered to the Government they would be equal to any afloat. And as I understand it the Lake people do not ask you to accept any boat unless it fulfills all the conditions of the contract.

"I am certain that the House would vote against monopoly. Congress clearly showed its disposition when in the appropriation for the last two battle ships it stipulated that with any one company but one ship should be contracted for.

"Among the well-meaning Members of Congress the Lake people have more friends because they have never employed the methods of the Holland type people. It is well known that the company Mr. Roberts appears to represent is doing more to-day in the employment of questionable methods to intimidate Members of Congress and the Naval Committee than all other corporations in the United States.

"Yours, very truly,

"GEO. L. LILLEY.

"WATERBURY, CONN., *Sept. 23, 1907.*"

(Page 1503.)

December.

Mr. J. C. Lake entertains at luncheon at the New Willard Hotel the Senators and Representatives from Connecticut (page 1181).

Ex-Senator Thurston, the counsel for the company, advises the delegation as to what can be done for the interest of the Lake Torpedo Boat Company (pages 1206–8).

1908.

January.

The Senators and Representatives call on the Secretary of the Navy in a body, and urge giving a contract to the Lake Torpedo Boat Company (pages 1322, 1504, 1611).

February 3.

Signing of a $450,000 contract between the Government and the Lake Torpedo Boat Company (page 314).

Ex-Senator Thurston requests of Mr. Foss, chairman of the Naval Committee of the House, an opportunity to present the views of the Lake Company respecting the form of the submarine item in this year's bill (page 1051).

February 5.

Representative Sperry, of Connecticut, introduced in the House an independent bill, drawn by Ex-Senator Thurston, for an appropriation for submarines to be expended in a way that would this year again admit the Lake Company to competition.

February 6.

Ex-Senator Thurston makes another request of Chairman Foss, in writing, for a hearing in behalf of the Lake Company (page 1052).

February 10.

Form of naval bill agreed upon by Committee with the provision relating to submarines, to which the Lake Company and Mr. Lilley objected (page 1061).

It is an exciting session of the committee.

After adjournment Mr. Lilley sees Neff and tells him "that the thing had failed and said that they had a pretty hot struggle in there" (page 1201).

[On being questioned as to whether he did not say at this meeting of the committee, "That some of the other Members were nothing better than traveling salesmen for the Electric Boat Company," Mr. Lilley refused to swear as to what he had said in the committee. His entire testimony on this subject is as follows:

"Q. Now, Mr. Lilley, have you at any time said to a newspaper man—I ask you this because you are reported in the newspapers, I have a clipping here somewhere, to have said that other members or some members of the Naval Committee were nothing more than traveling salesmen for certain torpedo-boat companies?—A. Not in that language.

"Q. Did you use anything bearing that interpretation?—A. What I said, I said in executive session of the Naval Committee the day the vote was taken on the naval programme. I think it appears in the testimony here.

"Q. It was not executive to us; we haven't got it, but we did read it in the papers.—A. I gave no interview of that character.

"Q. Did you say it in the Naval Committee?—A. Not in those words.

"Q. That some of the other members were nothing better than traveling salesmen for the Electric Boat Company?—A. Not in those words.

"Q. Anything that would bear that interpretation?—A. Different people put different constructions on——

"Q. Perhaps if you would tell us what you did say——A. I do not recall. I did not charge my memory with those things.

"Q. That is an important matter, did you not use some language very much like that?—A. I have given no interview to any newspaper of that character.

"Q. I know, but that is not what I ask. Did you make some such utterance in the Naval Committee?—A. Why, Mr. Olmsted, I do not remember just what I said in the Naval Committee.

"Q. Did you say something like that?—A. I won't swear as to what I said.

"Q. Will you state that you did not say something of that kind?—A. I won't testify either way, except that I said nothing in that language, as you have put it" (page 1502).]

February 12.

Fred Brown Whitney, vice-president of the Lake Submarine Company and personal attorney of Mr. Simon Lake, mails an anonymous letter to Mr. Carmichael, of the Detroit Free Press, suggesting the bribery of Representative Loud by the Electric Boat Company (page 1783).

The same day Representative Lilley leaves Washington (pages 1525–1598) for Connecticut. He claims that before leaving he directed his secretary, Webster, an inexperienced young man of 23, who had been his clerk for only a few months, to prepare a resolution for an investigation of the methods of the Electric Boat Company and the conduct of Members, without giving him any instructions as to whom he should consult or in what form the resolution should be prepared (pages 1363–1364, 1598).

February 13.

Whitney sends to a New York paper a fictitious statement containing, among other things, a general estimate of alleged excessive profits in the contracts of the Electric Boat Company with the Government. His statement contains the following paragraphs:

"It is our unanimous opinion that it is best to have the full quotations sent you printed, so that our friends can use naval opinions with Members as from newspaper authority."

"Memorandum showing lack of economy in submarine at proposed cost of $1,476,296.60 more than contractor testified they were worth."

"The committee thinks it necessary to get prominent officers' ideas and opinions before public, so that other newspapers will start editorial discussion of the problem that is far more serious than surface indications tell" (page 1783).

February 14.

Mr. J. C. Lake, vice-president of the Lake Torpedo Boat company, who has heretofore been in charge of the Washington offices, leaves Washington (page 1214).

Mr. Simon Lake and Mr. Lilley have interview at New Haven (pages 1061–1062).

February 15.

The fictitious figures of excessive profits concocted by Whitney, $1,476,296.60, appear in a New York paper.

Whitney sends to Frank L. Edinborough, formerly a clerk of Congressman Loud, and an aspirant for Mr. Loud's seat in Congress,

an anonymous letter accusing Mr. Loud of bribery by the Electric Boat Company, saying, "Loud voted for the $1,476,296.60 graft" (page 1783).

Mr. Royal W. Thompson, secretary of Senator Bulkeley, at Webster's request, makes the draft as subsequently introduced of Mr. Lilley's resolution calling for an investigation (page 1711).

February 18.

Mr. Lilley returns to Washington. Shows draft of his resolution to Representative Sherman (page 1725), and says he will not introduce the resolution if Mr. Sherman can bring about an amendment to the submarine clause in the Naval Committee's bill (pages 1725–1726).

The evidence of this is given by Mr. Sherman on pages 1725–1726 and corroborated by Mr. Lilley, pages 1364–1365. Mr. Sherman said:

"Q. Are you acquainted with Representative George L. Lilley, of Connecticut?—A. I am.

"Q. Did you have any conversation with him relative to submarine legislation and the introduction of any resolution?—A. He had with me.

"Q. Tell us what it was.—A. A few days before Mr. Lilley introduced his resolution he called me into the Republican coat room and showed me a resolution which he said he proposed to introduce. Whether it is identical with the one he did introduce of course I can not now say. I read it and I can only give the substance of the conversation. He said in substance that such a resolution would stir up a muss, and I intimated that I thought so, too, and he said in substance that if the action of the committee could be moved so that the competition for submarine boats could be open to other competitors that he would not introduce the resolution, and he asked me to see some member of the Naval Committee, with the hope that seeing such member might possibly induce the committee to change its action.

"Q. Did you tell him at that time that you would do that?—A. I told him I would not; that the Navy Committee were supposedly conversant with the whole subject, and that I was not, and that I did not propose to approach them on a matter that they knew about and that I did not" (page 1725).

February 20.

Mr. Lilley's resolution 255 dropped in the basket on the Clerk's desk late in the afternoon (page 1279).

The first of a series of postal cards extolling the merits of the Lake type of boat prepared in New York, by Mr. Robert G. Skerrett, an old employee of the Lake Company, mailed in the afternoon in New York City, to all Senators and Representatives and to Government officials in Washington (page 835).

In the evening, Abner R. Neff, Washington agent for the Lake Torpedo Boat Company, calls on Mr. Lilley in his rooms at the New Willard, and offers the services of Ex-Senator Thurston, counsel for

the Lake Torpedo Boat Company, in conducting the investigation (page 1322).

February 21.

A carefully prepared and authorized interview by Mr. Lilley appears in the Washington Post (page 30), hinting at the charge against Representative Loud.

The second in the series of Lake Company's postal cards mailed in New York City (page 836).

February 21 to 25.

Interviews with Mr. Lilley appear in numerous papers, in which he accuses Members of Congress of being bribed by the Electric Boat Company, mentioning several by name, and the charges against Representative Loud appear in Michigan papers.

February 25.

Mr. Lilley appears before the Committee on Rules, makes his charges, and reads a statement on his responsibility as a Member of the House, which statement was prepared by Ex-Senator Thurston, of the Lake Torpedo Boat Company (pages 1575–1576).

February 27.

Mr. Lilley introduced House Resolution 264, reciting excess profit to the Electric Boat Company in Government contracts of $1,476,-296.60, which resolution calls upon the Navy Department for cost of construction of the Electric Boat Company's torpedo boats. The resolution was prepared by Neff, who obtained the fictitious figures ures from newspaper clippings given him by Whitney (pages 1490–1492, 1499, 1500, 1501, 1545, 1585).

March 6.

Committee on Rules reports House Resolution 288, which is unanimously passed, and this committee appointed.

March 9.

Mr. Lilley appears before your committee, but refuses to give the committee the knowledge in his possession on which his charges are based (page 15). He reads a statement prepared by Ex-Senator Thurston, attorney for the Lake Company, giving a list of witnesses furnished by the Lake Company (page 1203).

March 12.

Mr. Lilley again appears before your committee and reads another statement prepared by Ex-Senator Thurston, counsel for the Lake Company, in connection with attorneys Brown and Judson, and then

for the first time consents to be examined under oath as to the information on which his charges were based (pages 1202, 1576).

Mr. Robert G. Skerrett, an old employee of the Lake Company, hands to the Scientific American and Harper's Weekly articles extolling the merits of the Lake type of boat, which appear in the Scientific American of March 21 and 28 and Harper's Weekly of April 4 (pages 1796–1798).

March 16.

At the hearings on this day Mr. Lilley hands to the committee a large number of typewritten questions, addressed to the chairman of the committee, and bearing Mr. Lilley's signature. Most of the communications handed in close with one or the other of these paragraphs:

"Not being an attorney and being refused by your committee to participate in this investigation through an attorney, I must leave the responsibility, the line of the examination, and its thoroughness to your members, in whose skill as attorneys I have great confidence.

"Not being an attorney, and being denied the privilege by your committee of having witnesses examined or cross examined by an attorney qualified to bring out the real facts, I am compelled to leave the general character and questioning of this witness to the superior wisdom and ability of the learned attorneys, members of this committee."

While the examination progresses from day to day, Mr. Lilley submits numerous other sets of questions similarly prepared, which display a most exhaustive knowledge of the history of the development of submarines, the cost of construction, and the business methods of the Electric Boat Company.

April 2.

Frank L. Edinborough appears before the committee and produces an anonymous letter received from Whitney attacking Representative Loud (page 726).

April 3.

Mr. Carmichael appears before the committee and produces an anonymous letter received by him from Whitney attacking Representative Loud (page 769).

About this time Whitney is taken ill, and confined to his room, so that he is unable to respond to a subpœna, or appear as a witness before the committee.

April 15.

For the first time during the hearing it is disclosed that the questions submitted by Mr. Lilley were not based on any information of his own, but were prepared by counsel of the Lake Torpedo Boat Company (pages 1186–1188, 1190–1191, 1194–1196, 1309, 1202–1203, 1576).

April 30.

Whitney, now in the hospital and unable to appear before the committee, sends physician's certificate to that effect by his counsel, and

an affidavit confessing the authorship of the anonymous letters and of the fictitious figures of the excessive profit to the Electric Boat Company in its submarine contracts, and stating that when he mailed these documents, "He had good reason to believe that a resolution would be introduced in the House of Representatives for an investigation of the methods of the Electric Boat Company, and its predecessor, the Holland Boat Company."

It needs no argument to show that there is a logical sequence in the foregoing interrelated events that tell the history of what led up to and constituted the propaganda which was designed as indicated in the frank admission of Simon Lake to "educate Members of Congress up to the point of recognizing the merits of the Lake type of boat."

Mr. Lilley's resolution and charges and the investigation that followed form an important part in the propaganda. Mr. Lilley testifies that he talked with no one connected with the Lake Boat Company concerning his intention to introduce such a resolution, and that no one connected with the company knew of his intention. The officers of the Lake company say that they had no knowledge that it was to be introduced. According to the evidence, both Webster and Thompson, however, knew a week beforehand that it was to be introduced, and Whitney swears that, "He had good reason to believe that such a resolution would be introduced."

But whether or not the Lake Company's officers knew that it would be introduced is quite immaterial. If they did not, they showed a miraculous degree of preparedness in availing themselves of the vast opportunity which this resolution opened up for carrying on their propaganda. A few hours after its introduction Neff, the agent of the Lake Torpedo Boat Company, was ready to make an arrangement with Mr. Lilley to consult with the general counsel of the company concerning the conduct of the investigation. And from that time until the completion of the examination of all the witnesses named by Mr. Lilley the conduct of his case was in the hands of the counsel and agent of that company.

By stating on his honor and responsibility as a Member that he had information not based on hearsay that required an investigation respecting the conduct of his colleagues, he invoked the entire machinery of the House of Representatives to institute a proceeding against a private corporation for the benefit of another private corporation. The gravity of this offense is apparent when it is considered that in no other way by any private citizen in any civil or criminal proceeding in any of the courts of law could such an examination be carried on as has been carried on in this proceeding by the Lake Torpedo Boat Company against its rival through the agency of Mr. Lilley. And the gravity of his offense is not lessened by the disclaimer made by Mr. Lilley and the officers of the Lake Company, that the latter did not induce him to offer the resolution.

For six months prior to the introduction of the resolution Mr. Lilley had been doing everything in his power to help the Lake Torpedo Boat Company. After the introduction of the resolution the Lake Torpedo Boat Company, through its officers and agents, did all in its power to help Mr. Lilley. Your committee therefore has no doubt, and feels that no one who reads the evidence or even the fore-

going brief chronology can have a doubt, that Mr. Lilley's resolution was not introduced to secure an investigation, but was introduced to secure legislation. A further analysis of the entire evidence will confirm this finding.

DETAILS OF ALL OF MR. LILLEY'S SOURCES OF INFORMATION.

In view of all the evidence gathered in this investigation, Mr. Lilley's statement to the Committee on Rules—"I shall be very glad to go into this matter just as soon as this resolution is passed and the committee is appointed, and I assure you, gentlemen, I am not talking on hearsay. I know my ground, and I know that I can prove these things before a committee that means business"—makes it important to ascertain what he knew and probably could prove at the time of making this statement, and classify the whole of his evidence in accordance with the demonstrated sources of his information. The wide latitude Mr. Lilley allowed himself in making his charges reveals that he has relied upon facts within his own knowledge, facts within the knowledge of others, newspaper reports, illogical assumption, rumors, suspicions, and misstatements too often stubbornly adhered to.

FACTS WITHIN HIS OWN KNOWLEDGE.

He knew that Mr. Taylor had repeatedly urged him to vote for submarines prior to the naval appropriation bill of 1908.

He knew that Mr. Kellogg had argued with him the wisdom of additional appropriation for the construction of submarine boats, and that Mr. Kellogg represented the Electric Boat Company.

He knew that Mr. Kellogg introduced Mr. Ferry to him, and made an appointment for Mr. Ferry to have an interview with him on the subject of submarine boats. He knew that Mr. Ferry did interview him on that subject.

He knew the terms of the Loudenslager amendment to the naval appropriation bill of the present year, and that Mr. Loudenslager offered it.

He knew of his own votes in the Naval Committee in favor of submarines in the naval bill of 1906.

He knew of the votes on the various motions and amendments respecting battle ships and submarines in the pending naval appropriation bill.

FACTS WITHIN THE KNOWLEDGE OF OTHERS.

He knew that Mr. Gordon, who lived in Mr. Loud's district, had been employed by the Electric Boat Company, because Mr. Loud and Mr. Foss told him so.

He knew that Mr. Spear had offered to assist Representative Hobson in his effort to obtain appointment on the Naval Committee, because Mr. Hobson told him so.

ASSUMPTIONS.

He assumes that the Electric Boat Company set Mr. Taylor on him to influence him in favor of submarine legislation, and persists

in this assumption in the face of Mr. Taylor's sworn statement that he approached him on his own initiative and in his own interest, and swears that Mr. Taylor is an honorable man and that he (Lilley) would believe what he (Taylor) swears.

He assumes that the Electric Boat Company and Admiral Bowles, president of the Fore River Ship Building Company, sent Mr. Ferry to him to influence him to vote for Holland submarines in the face of the denial both of Mr. Ferry and of Mr. Bowles.

He assumes that Mr. Kellogg sent Mr. Ferry to him by direction of the Electric Boat Company, in face of the denial of the officers of the Electric Boat Company and of Mr. Kellogg, the latter being his (Lilley's) personal and political friend, and an honorable man worthy of belief as he (Lilley) swears.

He assumes that the expert naval constructors in the Navy Department could and would testify to the excessive profit of a million or more dollars obtained by the Electric Boat Company on its past contracts and an equal amount of excessive profit if they obtain all the contracts provided for in the Loudenslager amendment, and he persists in his assumption, notwithstanding the testimony of Admiral Capps, the chief constructor of the Navy, that no such excessive profit had been made or could have been made under the contracts executed or to be executed.

He assumes that an investigation would prove that the boats owned by the United States and proposed to be purchased under the Loudenslager amendment are, and would be, inferior in type, size, power, armament, and efficiency to boats now in European navies, notwithstanding the testimony of the Secretary of the Navy, the chief constructor of the Navy, and other witnesses not connected with the Navy Department, that, so far as it was possible to make such a comparison, no such alleged fact could be established.

He assumed, and persisted in the assumption, though unable to support it by proof or probability, that $745 per ton is a reasonable price and as much as the Government should pay for submarine boats, and upon this false assumption he charges that this is the inducement to the Electric Boat Company to corrupt or attempt to corrupt Congress to legislate in its favor.

SUSPICION.

Mr. Lilley stated his fundamental suspicion to the Committee on Rules as follows:

> I think the membership of this House is of the very highest quality, and that they are the very best men, usually, from the district from which they come, but with a flock of 383 here it would be strange if there were not some sheep in it that had the rot foot or scabies. I think the disease ought to be eradicated before it spreads.

He alleges that as there is an attorney of the Electric Boat Company in his district, one in Mr. Loud's district, and one in Texas, that there are other attorneys or agents in the districts of other members of the Naval Committee, and wherever the ground is found favorable, except in the districts of Messrs. Foss, Padgett, and Hobson.

Another charge is arraigned under the head of suspicion. Whether or not money has been improperly used or improper methods have

going brief chronology can have a doubt, that Mr. Lilley's resolution was not introduced to secure an investigation, but was introduced to secure legislation. A further analysis of the entire evidence will confirm this finding.

DETAILS OF ALL OF MR. LILLEY'S SOURCES OF INFORMATION.

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Another charge is arraigned under the head of suspicion. Whether or not money has been improperly used or improper methods have

been employed to secure favorable action in Congress, can only be successfully shown by an examination of the officers, attorneys, and agents of said companies, and by an examination of the books, accounts, vouchers, checks, and other written memoranda relating to such practice which are in the possession of the officers, attorneys, agents, and representatives of said companies, and when the officers, attorneys, and agents of said companies had sworn positively that no such expenditures had been made by either of them, and that no such accounts had ever been kept on their books because no such expenditure was made, Mr. Lilley bolstered that fallen suspicion with this further remark:

> Now I do not expect those books will show any names that checks were drawn for campaign funds, but I do expect that there will be some such fund as the "yellow-dog" fund in the New York insurance investigation.

In his charge that contributions were made to Members of Congress who were on the House Naval Committee, contributions to elect some and defeat others, Mr. Lilley relies on the same suspicion that the officers and books of the Electric Boat Company would furnish a proof in a suspected "yellow-dog" account.

RUMOR.

To the authority of rumor Mr. Lilley refers his charge against the Electric Boat Company's contributing to the campaign fund of members of the Naval Committee, in maintaining an expensive lobby at Washington, and in efforts made to subsidize or unfairly influence the public press in its utterances and criticism of the said companies, and appropriations made for submarines.

NEWSPAPERS.

Mr. Lilley cites an article from the Detroit News dated February 21, and another dated February 22, 1908, as the proof justifying his statement that Mr. Gordon was employed for the sole purpose of endeavoring to secure favorable action on the part of Representative Loud for such legislation as the Electric Boat Company might desire. Whereas the article offered in proof of this states that—

> The hint has been thrown out that his influence for the Holland submarine boat was secured by a species of intimidation.

If Mr. Lilley did not know the contents of this article before he introduced his resolution, he would have been without a semblance of truth as to Messrs. Gordon and Loud. If he did not know the contents of the second publication before he introduced his resolution, he would not have had the benefit of Edinborough's insinuation contained therein.

If, however, it is conceded that he knew the contents of each, it was within his power to ask his colleague (Loud) on the Naval Committee whether he knew or believed that Mr. Gordon was employed by the Electric Boat Company to intimidate him by threat of opposition, or otherwise, in supporting submarine legislation favorable to them. He could with equal facility have inquired what statements Mr. Loud made to Edinborough that could lead Edinborough to believe that Mr. Gordon was lobbying with him (Loud) for the Holland concern.

These two inquiries addressed to Mr. Loud would have reached an original source of information as against the repetition of a "hint" and the publication of Edinborough's "suspicion."

ANALYSIS OF MR. LILLEY'S EVIDENCE CONCERNING ALL THE FACTS IN HIS OWN KNOWLEDGE WHEN HE INTRODUCED HIS RESOLUTION.

In his statements to the Committee on Rules, Mr. Lilley said:

In the last Congress a large manufacturer in my town, an intimate friend of mine, who would probably have as much influence with me as any man in my State, told me that he had the promise of a large order if I would vote for submarines (p. 7).

Mr. Franklin A. Taylor, of Waterbury, Conn., vice-president and manager of the Randolph-Clowes Company, engaged in the business of manufacturing brass and copper, testified that he was the man referred to by Mr. Lilley in that statement, and Mr. Lilley subsequently stated that it was Mr. Taylor to whom he referred. Mr. Taylor said:

Mr. Lilley and I were personal friends. I met him frequently and did not hesitate to discuss with him frankly my interest in submarine construction. I told Mr. Lilley the amount of business the Navy Department did in the Naugatuck Valley. I suggested to him to talk with his constituents; that it would be a good scheme to start at Bridgeport and go to Winsted, and told him of the things manufactured; I went into it very thoroughly; I told him our business in the matter of tubing and sheathing and brass plates, and all that sort of thing. I said to him that the business amounted to several million a year, and I think he felt at the time that it was a very much bigger thing than he had any idea of. I did not leave any stone unturned to influence him to vote for submarine boats.

These conversations related to legislation of 1905 or 1906. Mr. Lilley was influenced in his first vote on submarines by the request of his constituents who were to secure orders as a result of any appropriation for submarines. Mr. Lilley was, I think, opposed to submarines from the beginning. On one occasion I met Mr. Lilley in Waterbury, and, as he says, shook my fist at him; I do not think I have missed an opportunity to shake my fist at him and tell him to vote for submarines every time I have met him. This was not intended as a threat or an act of intimidation, and Mr. Lilley took it in a friendly spirit. I had no doubt that the conversations had with him were influential in gaining his vote when the matter first went through Congress. I had very good reasons for thinking so, because when he came home after the committee had voted he said to me, "I voted yes, Franklin, and your face was in front of me when I voted." So I felt that I had influenced Mr. Lilley, and I had nothing to be ashamed of in it.

The articles which we manufacture and which enter into the construction of submarine and torpedo boats generally are sold to the Electric Boat Company, the Lake Boat Company, or any other company that manufactures torpedo boats. I was looking out for the business from the corporation that got the contracts, and it didn't bother me a bit nor did I care which one of them got the contracts. We manufacture brass and copper piping and air flasks, all of which went into submarines and other kinds of ships, and there was no possibility of any legitimate share of any appropriation made by Congress passing into the hands of anyone else. I have had no conversation with Mr. Lilley with reference to influencing him to vote for submarines in this year's bill. The Electric Boat Company never intimated to me in any way that they desired me to approach or attempt to influence Mr. Lilley to vote for submarine boats, nor did they ever give or tender to me any order contingent upon anything that I might do to induce Mr. Lilley to support submarine legislation. What I did was always on my own initiative and from my own instincts of my business interest.

Mr. Lilley, in testifying in reference to Mr. Taylor's approaching him on the subject of submarines, said:

I did not charge Mr. Taylor with having done anything wrong in trying to obtain a large order for goods. * * * I am not making any complaint against Mr. Taylor in approaching me.

Mr. Lilley's attitude with respect to Mr. Taylor is one of complete exoneration of Mr. Taylor from any improper motive or wrongful act in all that he said and did to him with respect to submarine legislation. He substantially complains as follows: "But I do charge the party that set him on a Member of Congress for that purpose is doing something that ought not to be permitted," and the emphatic testimony of Mr. Taylor is that he was "set on," as he says, "always on my own initiative and from my own instincts of my business interest." So that, knowing Mr. Taylor as well as Mr. Lilley swears he did; regarding him as a man of high character; meeting him frequently, socially, enjoying his confidence and support politically, Mr. Lilley had only to ask Mr. Taylor whether the Electric Boat Company had inspired him to urge submarine legislation upon him (Lilley).

And Mr. Taylor's answer would doubtless have been in conformity with his sworn statement on the subject, that he was acting on his own initiative and in his own interest and without the suggestion or dictation of any other person or corporation, and if Mr. Lilley had accepted this answer as the truth, as in his testimony he swears that he would believe what Mr. Taylor says, it would have been an end of this groundless suspicion that the Electric Boat Company was endeavoring to influence him through his friend Mr. Taylor, and there would have been no truthful basis for this instance in Mr. Lilley's personal experience related to the Committee on Rules, and made one of the charges on which this investigation was based. It is a conspicuous instance of Mr. Lilley's stubborn refusal to substitute an easily ascertained fact for groundless suspicion.

MR. LILLEY'S EVIDENCE CONCERNING HIS FRIEND, MR. JOHN P. KELLOGG.

Mr. LILLEY. At the same time there came down here a lawyer in politics who had been a member of the State committee and the town committee where I live; was then; who probably had as much to do with my being in Congress as any man. He came here to Washington and stayed with me, and he was certainly employed by the Electric Boat Company * * * (p. 7).

This charge relates to Mr. John P. Kellogg, Esq., a lawyer of Waterbury, Conn., who is assistant State attorney of New Haven County, and who has been a member of the Republican State central committee and chairman of the Republican town committee of Waterbury. He has known Mr. Lilley for twenty-five or thirty years; his political and social relations during that time were exceedingly friendly. He was employed by the Electric Boat Company in 1906 to "counsel with them in regard to matters in Connecticut generally, where they had a competing company and had some little trouble with the company, and also to give them professional assistance in any way * * *" (p. 370). And for this service he received an annual retainer; has conducted no litigation for them; has visited Washington on business of the Electric Boat Company twice. First in January, 1907, at the direction of Mr. Frost: came to discuss matters of pending legislation with Mr. Lilley.

I think it was the month of December, the latter part, when Mr. Lilley was home during the Christmas holidays. I went to him then and told him that I had been employed by the Electric Boat Company, and told him through whom, through Mr. Frost, and discussed with him at that time legislation with regard to submarine boats.

In substance, what I said was based upon the necessity for submarine boats, for the defense or secondary defense of harbors, and also considerable of the conversation, as I

recall it—I am talking about things now that happened over a year ago—and as I recall it, it was not only the necessity, but whether they were available, whether they were of advantage to secondary defense.

Mr. Kellogg came to Washington in January, 1907, while the naval appropriation bill was pending in the committee, and had other conversations with Mr. Lilley on the necessity and advantage of the Government purchasing additional submarines, and that such purchases should be made as the result of competitive tests, and while Mr. Lilley did not agree with Mr. Kellogg that submarines possessed all the merits Mr. Kellogg claimed for them, he admitted that there was sufficient good in them to warrant the purchasing of a limited number. Mr. Kellogg swears that Mr. Lilley never expressed any disapproval of his conversations with him on this subject, nor did he express any disapproval of the method adopted by Mr. Kellogg to persuade him to his point of view. On the contrary, Mr. Kellogg swears that Mr. Lilley has told him since the investigation began that there was nothing he (Kellogg) had ever said to him at any time that anyone could not fairly say to him.

Mr. Kellogg admits that he spoke to Mr. Taylor and Mr. Ferry about conferences with Mr. Lilley on the subject of submarines. He further swears that he did not intimate to either Mr. Taylor or Mr. Ferry, nor did he suggest to them to say to Mr. Lilley, that they might secure orders in case of favorable submarine legislation. He understood that both companies had been having orders right along and would keep on having them whether Mr. Lilley voted for or against additional submarines. He swears further that he never had any authority from the officers of the Electric Boat Company to promise any of these manufacturers that they should receive orders in case of favorable submarine legislation. Nor did he ever state to any manufacturer that they would receive orders from the Electric Boat Company in case of favorable submarine legislation.

In brief, Mr. Kellogg's evidence fully and frankly states the time, manner, and scope of his employment by the Electric Boat Company, and he details with frankness the substance and nature of his conversations with Mr. Lilley on the subject of submarines, and Mr. Lilley himself exonerates him from any blame or censure for anything that he said or did by right of his employment by the Electric Boat Company, but charges, as he said in the case of Mr. Taylor, that it was an improper practice for the Electric Boat Company to employ a prominent and competent attorney who was his personal and political friend to present in a legitimate and honorable manner the necessity for submarine legislation.

MR. LILLEY'S EVIDENCE CONCERNING HIS CONSTITUENT, MR. CHARLES FERRY.

Mr. Charles Ferry, of Bridgeport, Conn., metallurgist and salesman of the Bridgeport Brass Company, went to Washington in February, 1908, by direction of Mr. F. H. Kingsbury, jr., manager of the company, to get all the information he could as to the possibility of the Government purchasing additional submarines, and to meet and confer with Mr. Kellogg in Washington for that purpose. Mr. Kellogg told Mr. Ferry that he thought that Mr. Lilley ought to know that the

Bridgeport Brass Company made a great deal of material, a portion of which had been used in submarine boats, and introduced him to Mr. Lilley, with whom he made an appointment to talk on this subject the next day at Mr. Lilley's office in the House Office Building.

In the interview between Messrs. Ferry and Lilley, Mr. Ferry swears:

I told Mr. Lilley that I understood that the Government was likely to purchase more submarine boats, that inasmuch as we had made material which we supposed had been used in submarine boats, or at least purchased by the company that constructed the Holland boat, we thought it was perfectly fair that he should know this, and if he could consistently vote for that bill we would be glad to have him do so. I told him that I was seeking business, or prospects of business, with unusual diligence at this time, because we were running short-handed and not through the full week, and that we never needed an order as badly as at that time. Mr. Lilley asked me if I came to ask him to vote for a bill appropriating a large sum of money for the construction of submarines. I told him I did not unless he could do so consistently. To my best knowledge and belief, I did not tell Mr. Lilley that I or my company had the promise of an order from the Holland or Electric Boat Company, if he (Lilley) would vote right on that proposition; I did not know that any promise was made by the Holland or Electric Boat Company to me or to my company that if Lilley voted right we would secure an order.

Neither Mr. Kingsbury or Mr. Kellogg gave me any such information, nor were any such conditions in my mind when I conferred with Mr. Lilley. Lilley asked me how much material of our manufacture was used in a submarine boat. I told him I had no information or data upon the subject, and therefore could make no intelligent estimate. He said: "How much do you imagine would be used in submarine boats to be provided for?" I still told him I had not any idea. As I remember it, he said: "A hundred thousand dollars' worth?" I said I did not believe as much as that. Then he came down to $20,000, and I said: "Possibly, and possibly a little more." Then he asked me how much profit we made on the material. I told him I was not in a position to say, but, for a guess, it might be 10 per cent. So that he arrived at a profit of $2,000 as an example, and wanted to know if I came there to ask him to vote for a bill in which we might make a possible profit of $2,000, and I still told him that I was not there to ask him to vote for a bill unless he could consistently do so.

I told Mr. Lilley that we had received so much business from the shipbuilders who constructed the Holland boat that we naturally felt sanguine and interested in any bill of that sort—sanguine about receiving orders from that concern. I think that he intimated that he would vote for the bill on account—mainly on account of the extreme desire of high officials who wished submarines, particularly the Secretary of the Navy. He expressed his preference for battle ships to submarines. I did not discuss with him any form of legislation intended to provide for submarines. I had no experience with such matters and knew nothing about the necessary form of legislation in providing for them. We employ about 1,500 men when our plant is in full operation, and I should think our monthly sales when we are running full might be $250,000 a month. An order amounting to $20,000 would have been desirable. My company has never taken an active part in political matters, and it has never sought to influence me or the men so far as I know.

Neither Mr. Bowles, president of the Fore River Ship Building Company, nor any of its agents, officers, or attorneys, offered to pay or promised to pay me anything for coming here to see Mr. Lilley last February; neither did my company have any promise of orders from anybody if I came here and secured the vote of Mr. Lilley in behalf of submarines. Mr. Bowles never suggested to me that I should influence Mr. Lilley or any other Member of Congress from Connecticut or elsewhere, either by word, letter, or any other manner. He "told me at one time that he thought Mr. Hill did not know that we made material for the Holland boat, and he thought that it would be desirable that Mr. Hill should know it;" but he did not suggest, as I remember, that I should write or speak to Mr. Hill about it; and while I neither wrote nor spoke to him on the subject, I talked with Mr. Enos, who expected to go to Washington, and he promised to tell Mr. Hill that we were making a large amount of material for the Fore River Ship Building Company, a portion of which was used in submarines, and Mr. Enos told me that he reported that to Mr. Hill. That was about three years ago. I never attempted to get Congressman Hill to withdraw his support from the Lake people of Bridgeport at the request of Mr. Bowles on the condition that if I succeeded he would give me $100,000 of orders; no such conversation ever occurred with Mr. Bowles. I never had any communication with Mr. Hill concerning submarines, except the message sent to him by Mr. Enos above referred to.

On this subject Mr. J. C. Lake testified that Mr. Ferry told him some two years ago that—

He (Ferry) had been requested or approached by what he termed him Admiral Bowles, as he was a representative of the brass company and did considerable business with him, and that he had spoken to Mr. Enos about it and wanted to do all that he possibly could to help the Electric Boat Company, because if they got orders, why, their company would get business from Admiral Bowles. He said that Admiral Bowles was a personal friend of his, and he (Bowles) requested that he (Ferry) go to see Mr. Enos about it to see whether he (Enos) could be of any help to him (Ferry) in the way of getting appropriation for the Electric Boat Company, which would really go to the benefit of his (Ferry) company.

It will be observed that Mr. Ferry swears that Admiral Bowles did not send him to Mr. Hill to cease his effort in behalf of the Lake Torpedo Boat Company at Washington, and on the same subject Admiral Bowles in his testimony gives a very full and explicit statement of the interview between himself and Mr. Ferry, covering both Ferry's communication with Mr. Hill and with Mr. Lilley.

ADMIRAL FRANCIS TIFFANY BOWLES CORROBORATES MR. FERRY'S TESTIMONY.

Q. Will you please state what that conversation was with him?—A. Mr. Ferry's company, the Bridgeport Brass Company, have had for about two years our contracts for all brass and copper piping, rods, and so forth. And it is customary where builders confine their orders to one concern to expect supply men to assist them in getting business, and I had an understanding to that effect with Mr. Ferry when I gave him our contract.

Q. What did you ask him to do?—A. I asked him on one accasion to see that Representative Hill, of Connecticut, understood the relations existing between his company and mine and the extent of the business which in that way came to Bridgeport.

Q. Did you ask him to influence Mr. Hill as to his legislative action?—A. I did not. I asked him to inform him fully in regard to the business which came from my company to Bridgeport.

Q. Did you ask Mr. Ferry to influence Mr. Lilley as to his legislative action?—A. I did not. I never mentioned Mr. Lilley's name to Mr. Ferry. I had one other conversation on the subject, which occurred, I think, some time in February of this year. Mr. Ferry ceased some time ago last year to have my contract because of inefficient service. He came to me in Boston and sought an appointment with me. He said that he had heard through his president, Mr. Kingsbury, I think he named him, that he could do something for me in Washington along the line of submarines. He said that they felt very seriously the loss of my contract; that they had profited by the discipline that I had administered to them, and they would give excellent service. He was very anxious to get it back. He wanted to know if he could do anything for me in the way of submarines in Washington—whether it would be any advantage to him. I told him in the most positive manner that when that contract came around to be awarded again that it would be settled in the interests of my company, as it had been before; that I should be very much pleased at anything he might do for me, but I would make him no promises of any kind, either directly or indirectly, in any manner, shape, or form. I used all those words to him.

Q. Did you in any way inform him or intimate to him that if he could assist in securing favorable legislation for the Electric Boat Company that you would give him a contract?—A. I did not. I took the utmost care to prevent conveying any such idea to his mind.

Q. In having this conversation with Mr. Ferry, or anybody else along that line, did you do this at the instigation or request of the Electric Boat Company or any of its officers?—A. I did not; this interview was sought wholly by Mr. Ferry. I would like, if the chairman will permit me, to absolutely clear up the Ferry matter without any possibility of doubt.

The CHAIRMAN. That is what we are attempting to do in these closing days, Admiral, to clear up a number of questions about the testimony.—A. Mr. Ferry when he came to me did not mention the name of Mr. Lilley. I had no idea what he meant when he said that he could do something for me in the way of submarines. He did not describe it in any way. I did not know that he was going to see Mr. Lilley, and did not ask him to go and see him or to see anyone else. Mr. Ferry, however

after he had been to Washington, came back to see me, and he then told me that he had seen Mr. Lilley. That was the first time that the gentleman's name was mentioned between us. He said that he had tried to explain to Mr. Lilley the commercial situation in regard to the purchase of brass materials, and that Mr. Lilley had burst out upon him in a denunciation of submarine boats and the methods that were being pursued here in Washington and had scared him, Ferry, very much. I told Mr. Ferry that I was exceedingly sorry that any attempt to do something for me should get him into so much trouble, but he need have no anxiety on the subject, so far as his action or mine or my company's was concerned, of any kind at all; that he could go home and be satisfied that he had done what was right, and so had I. That was the end of that episode so far as I was concerned. I might also state—I am anxious to clear the ground of Mr. Lilley—that if I had wished to influence him in any way or had sought to do it I had the most excellent means, because during the previous year I had transferred my contract from Bridgeport to the American Brass Company, of Ansonia and Waterbury. I negotiated that contract with the president of the American Brass Company myself.

Q. Who is that?—A. Mr. Brooker.

Q. Charles F. Brooker?—A. Yes; and I had some understanding with Mr. Brooker with regard to helping me in getting business in certain territories, but I have never had occasion to take advantage of it. I have never asked Mr. Brooker to say anything for me directly or indirectly, but I had in that gentleman's immediate neighborhood the most excellent means of reaching him in case I had so desired.

CHARGES AGAINST ELECTRIC BOAT COMPANY AND ANALYSIS OF TESTIMONY OF ITS OFFICERS, ATTORNEYS, AND AGENTS.

Although Mr. Lilley had, as already pointed out, said to the Committee on Rules, "I am not talking on hearsay; I know my grounds, and I know that I can prove these things before a committee that means business," nevertheless, your committee having been appointed, he appeared before us and said:

"Whether or not money has been improperly used or improper methods have been employed to secure favorable action in Congress can only be successfully shown by an examination of the officers, attorneys, and agents of said companies, and by an examination of the books, accounts, vouchers, checks, and other memoranda relating to such practices, which are in the possession of the officers, attorneys, agents, and representatives of said companies."

In other words, having no information himself he proposed that the officers of the company should be compelled to appear with their books so that it might, by examination, be developed whether or not his broadside of charges had hit anything. He then submitted a list of the officers, attorneys, and agents whom he desired subpœnaed. It subsequently developed that not only his charges but as well the demand for the summoning of these people with their books had been framed and placed in his hands by counsel for their rival, the Lake Torpedo Boat Company, who was behind the curtain rolling the putty balls for Mr. Lilley to fire. He had even obtained the list of witnesses from counsel for the Lake Company, but as he failed to give us the addresses we had to call upon him for them, and he, in turn, as appears from the record, had to go back to the counsel for the Lake Company to get them, or some of them.

Your committee sent to Mr. Lilley blank forms of subpœnas and asked that they, particularly the subpœnas duces tecum, be prepared for those persons whom he desired subpœnaed. He returned them to your committee filled out, as we afterwards learned, by counsel for the Lake Torpedo Boat Company. The subpœnas were served and the witnesses appeared and they have all been examined. The following is a brief synopsis of their testimony:

Gen. M. C. Butler, who in March, 1894, retired from the United States Senate after eighteen years of service as Senator from South Carolina, testified that in 1896 or 1897, while a practicing attorney in Washington, he had been employed professionally by the Holland Boat Company and continued as attorney for that company and the Electric Boat Company until a period about four or five years ago, when he gave up his law office in Washington and returned to his own State. He appeared before the Naval Committee of the Senate on several occasions and made arguments in behalf of said companies. He said that he "never appeared in the House and never spoke to a human being in the House. I never spoke to any Senator or Representative on the subject except in the argument before the committee which I made, perhaps, four or five times" (page 74). He said that the boat *Holland* was brought into the Potomac River and that "I went down on a tug and invited quite a number of Members of Congress and Senators and Representatives, and they had something to eat and something to drink." Admiral Dewey was one of the party. General Butler invited some of the guests. The entertainment was furnished by the company whose boat was making the experiments. Speaking of Representative Lilley, he said:

"I do not think it is quite fair for a man who has not fortified himself with the facts to attack a man outside of the House, a private citizen, and not give him an opportunity to reply to him. That is what I complain of in this case. I have no apologies to make on earth to him for my employment by that company, not the slightest, but I resent as an offense and as untrue the statement that I belong to what he chooses to call the 'organized lobby.'"

General Butler, having retired several years ago, took no part for or against legislation in the present Congress with reference to submarine boats; he did not appear before any committee nor address any member of the House; he said he had been at his home in South Carolina "until I got this notice which brought my name in here, and, I think, unfairly and unjustly and falsely" (page 79).

Mr. C. E. Creecy testified that he practically had the management of the business in Washington of the Holland Submarine Boat Company from 1894 down to 1902, and appeared innumerable times before committees of Congress and before boards appointed by the Secretary of the Navy, but has not been in the service of the company since 1903 (pages 83–84). After working several years without getting any Government contract for submarines he consulted Gen. Eppa Hunton, of Virginia, then practicing law in Washington, who advised that the company should bring a submarine boat to Washington and exhibit to Congress, the Navy Department, and the War Department, so as to show its successful operation. For this advice General Hunton received $100, and so far as the evidence goes was not in any other way employed by the company or consulted about its business (page 86). The boat called the *Holland* was built in part with funds contributed by Mr. Frost, his father, his uncle, and his mother (page 86). Mr. Creecy says that "up to 1902, when I had control of the company, I am sure that no Member of Congress, no Government official, or anyone else was ever improperly paid a bill" (page 89). He also denies positively that the company, through any person, attempted to influence any Member of Congress who was on the Naval Affairs Committee (page 90), and that while he had control down to

the end of 1902 "there was never any Member of Congress approached or anything of that kind;" also that no money was spent to defeat any Member of Congress, and that it would have been impossible without his knowledge, adding, "I do not think it was possible up to that time; I had full control" (page 90). He says: "We did not have to pay the newspaper men; they ran over us for news. * * * I never had occasion to pay them; there was no necessity" (page 95). Mr. Creecy further testifies that his present relations with the company are unfriendly, owing to a disagreement about fees. He has not been connected with it since 1903, and is now interested in a rival concern (page 93).

Mr. E. W. Creecy testified that he never had any official or business relations whatever with either the Holland or the Electric Boat Company.

Mr. F. P. B. Sands had a contract with the Holland Boat Company in 1896 which applied only to contracts with the Russian Government (page 107). "It had no application to any business in the United States, not the slightest, nor under any circumstances whatever, nor in any place have I ever approached or spoken to a Member of Congress or a Senator in respect of the interests or rights of this submarine boat * * * My work related solely with Russia" (page 108). He secured the presence here of certain Russian officials who inspected the Holland boat at our navy-yard and secured contracts from the Russian Government for similar boats (page 108). He also succeeded in persuading Admiral Dewey and certain other naval officers to go down the Potomac and watch the performance of the Holland boat. He testified that his connection with the company ceased in 1904, "when I brought suit against it for fees claimed by me to be due." He has had no business connection with the company since and knows "not a word about what they are doing or intend to do" (page 115).

Dr. W. R. Kerr testified that he was never in the employ of the Holland Torpedo Boat Company or Electric Boat Company (pages 116-122); he was friendly with Vice-President Frost, but never received any compensation in any way, directly or indirectly, as an agent or employee of the company (page 120); has not "followed the history of this torpedo-boat matter, * * * not for the last five years or so" (page 120), and "never spoke to any Member of Congress about submarine boats" (page 121).

Mr. Marion Butler, who retired from the United States Senate in 1901, and has since then been practicing law in Washington, was employed by the Electric Boat Company professionally about 1905. He or his firm, Butler & Vale, appear to have been consulting counsel for the company in Washington, but they have not appeared before any committee of Congress with reference to the company's business. He says: "I have not, and, as I have said, they decided not to on our advice. That is a thing we took up and advised them about when they wanted to employ us" (page 126). He testified that he never talked to a member of the House Naval Committee or any Member of Congress, and would have appeared before committees if he deemed it necessary to do so, but says: "I have thought that the best policy was to have competition to prove the best boat and that that was more powerful argument with the committees of Congress and with the Government than anything else, and my advice has been followed and

I am gratified with it up to date" (page 129). He, or his firm, and Mr. McNeir are the only attorneys for the Electric Boat Company in Washington (page 131). He says the company does not keep a press bureau and has no newspaper men in its employ. "I do not know of a single one" (page 135). Replying to an inquiry as to the truth of Mr. Lilley's charge that the company has an organized lobby at Washington, Mr. Butler said: "I feel that the committee should indulge me to say that I want to here and now enter a most emphatic and earnest protest as a citizen against any man, a Member of Congress or not, stating such wild, irresponsible, and untrue charges without any foundation in fact to justify it" (page 135).

Referring to the House Naval Affairs Committee he said: "I have never spoken to a single member of that committee since I have been employed about submarine matters." He added that he did not know who had drawn the provision relating to submarines in the naval bill of 1908 (page 128). He also denied that he had prepared and drafted the Senate amendment to the appropriation bill of March 2, 1907, as charged by Mr. Lilley.

It should be borne in mind that Mr. Lilley's charge in this regard and also of the maintenance of an organized lobby, as submitted by him to the Committee on Rules, was prepared by the able and genial counsel for the Lake Torpedo Boat Company, after it had developed in the testimony that the Lake Company had in the present Congress importuned members of the present Naval Committee to offer amendments. The same learned counsel, in his testimony before this Committee, said:

"Mr. Chairman, on this matter of the propriety of any man interested in legislation in Congress seeing Members or drafting bills or asking an introduction, or that sort of thing, I would like to submit here the opinion of the Court of Appeals (40 N. Y. Report, pp. 382 and 378). I think it is a splendid enunciation of the law upon that subject. * * *

"'It must be the right of every citizen who is interested in any proposed legislation to employ an agent for compensation payable to him, to draft his bill and explain it to any committee, or to any member of a committee, or of the legislature, fairly and openly, and ask to have it introduced; and contracts which do not provide for more, and services which do not go further, in our judgment, violate no principle of law or rule of public policy. (Earl, J., in Chesebrough *v.* Conover, 140 N. Y., 382, 387.)'"

Mr. Charles S. McNeir was employed by the Electric Boat Company about three years ago. He attends mostly to its detail business with the departments, particularly the Navy Department, in looking after the obtaining and carrying out of the provisions of its contracts for the construction of boats. Asked if he had "ever spent any money for this company at any time in any way intending by spending the money to influence or affect the judgment of any Member of Congress," he answered, "Absolutely none. I do not believe I gave even a cigar to any Member of the House or the Senate or any employee connected with it" (page 142). It appears from his testimony that when the *Holland* was brought to the Potomac in 1900 the company took guests down the river to a point where the water was deep enough to make tests. At that time he was not in the company's employ, but was a clerk in the office of Mr. Creecy, who represented the

company. On that occasion a boat was used for the convenience of newspaper men. As the excursions occurred in the middle of the day, entertainment was provided, and on a later occasion, when another boat was brought here, there were similar excursions and entertainment. That was in 1900 and 1902. Those matters occurred, however, before his employment by the company, since which time he says he has never extended any official entertainment or given any entertainment, or tendered social hospitality of any kind, and never aided or assisted in creating any agency of the company in the Congressional district of any Member of Congress, and says: "I never heard of any such suggestion until I saw it in Mr. Lilley's charges" (page 143). He says: "We have no press agents; we have no newspaper men in our employ at all (page 147), and never paid anything to anybody for the publication of articles" (page 151).

Mr. McNeir testifies that he had paid Mr. Erly (who is a newspaper man) about $36 for preparing certain literary work (pages 150–152) and had paid Mr. Lord (who is also a newspaper man) $600 or $700 for literary work in the preparation of a series of articles (pages 150–153). These articles were not printed in any newspapers represented by Mr. Erly or Mr. Lord, and were not printed during any session of Congress. They were stories of a general nature—"feature stories"—concerning submarines. Having had read to him Mr. Lilley's charge that "under the guise of the employment of certain newspaper representatives for insignificant service, considerable sums have been paid to them by the Electric Boat Company, presumably for the purpose of securing their aid and assistance in coloring their newspaper reports in favor of the Electric Boat Company," Mr. McNeir said: "I state here under oath that that is untrue, and I defy anybody to present themselves here and show that it is true. It seems to me that that would be a proper time for me to answer the details of this matter, instead of answering some vague charge. I deny it under oath" (page 152). He testified that he spent no further sum of money for the company; never arranged any dinners for Members of Congress; did not stock the *Dolphin* with liquors and "never heard of it in my life."

Mr. Lawrence Spear had no connection with the company prior to 1902 (page 204). In that year he became naval constructor and is now also one of the vice-presidents of the company. It appears from his testimony that the Electric Boat Company has several manufacturing plants of its own in which it builds boats of various kinds, small craft, steam yachts, launches, electrical machinery, dynamos, etc. It employs from 250 to 400 men. It does not wholly construct its own submarine boats, but does about 25 per cent of the work, subletting the balance (page 240). Replying to the charge that the company had made an excessive and unjust profit of more than $1,000,000 on submarines, he said: "That is an outrageous and ridiculous misstatement, without a single iota of fact to support it and without a particle of truth in it. The facts of the matter are we have never received excessive profit on any submarines and on the last we have built we have not received any profit at all" (page 229). He testified that our Government is not paying more proportionately for submarines than is paid by other Governments, and also that the price paid, or agreed to be paid, by the Government to the Lake Tor-

pedo Boat Company in the contract which Mr. Lilley helped to secure, consummated only a few days before his resolution was introduced, the actual price is $90,000 higher than the highest price paid to the Electric Boat Company, and that reducing the two boats to the same required performance the Lake Company is getting about $70,000 more than its rival.

Mr. Spear denied that foreign governments are getting submarine torpedo boats at lower prices than our own, and upon this point said:

"A. * * * There are no excessive profit in it. Every government in Europe pays just as much, and the French Government, where they have enormous competition, where they have no profits to them or patents to consider, no development expenses, no trial expenses, and the cost of their vessels is as great as ours—the actual cost of building them. This Government gets a vessel of a certain tonnage and it is better than the corresponding French boat and it has not paid any more for it.

"Q. You say, then, that our boats are not costing more proportionately than the boats of other countries cost them?—A. They are not, sir. Other governments have never paid our company less for the same product."

Upon this point his testimony was subsequently corroborated by that of Mr. Flint, of the Lake Torpedo Boat Company, and Admiral Bowles.

Mr. Isaac L. Rice, president of the Electric Boat Company since its organization in 1899, testified that it is a New Jersey corporation, having its main office in the city of New York (page 424); that in addition to its submarine business it has also the electric launch business, the electro-dynamic business, and controls the Industrial Oxygen Company and has several plants (page 424). He is also president of the Holland Submarine Company, which still exists, but is not in active operation, as the Electric Boat Company now owns all the Holland patents and makes all the boats. Confronted with Mr. Lilley's charge "that continued and repeated efforts have been made by representatives of the Electric Boat Company and its predecessor to influence the action of officials of the Navy Department, and that such efforts in the past were so persistent and notorious as to call forth the condemnation and criticism of high officials of the Navy Department," Mr. Rice said: "The only influence we have ever used with the Navy Department is to build the best boat we knew how. The rest of that story is a malicious lie. There is no other word for it. There is nothing on record to substantiate any such talk as that, and Mr. Lilley has no information of that and nobody in the world has. I think, considering the amount of money we have expended in order to improve this boat and give the United States this method of defense, which we think very effective and very cheap—I think we have not been treated remarkably well by the Navy Department. I think that they have given preference to our competitors * * * the Lake Company" (pages 425–426).

In answer to Mr. Lilley's charge that from 1893 to the present time the efforts of the Electric Boat Company and Holland Company have resulted in suppressing any possibility of competition in submarine construction and securing and awarding of contracts by legislation, Mr. Rice said: "That is so absolutely absurd that it

sounds like ravings to me. * * * After we won out in the last competition, nevertheless the Lake Boat Company got the contract for a boat, although it was so absolutely inferior that it could not be mentioned in the same breath" (pages 427–430). Concerning Mr. Lilley's charge that "certain newspaper representatives had been subsidized and paid by the Electric Boat Company for favorable newspaper articles and reports in behalf of the said company," Mr. Rice said: "I can only say it is pure invention; there is not a word of truth in it" (page 430). Referring to the matter of entertainment of Members of Congress, Mr. Rice said that in 1900 and 1902, upon each of which occasions they had a boat in the Potomac River for exhibition or demonstration, entertainment was furnished to Senators, Members of the House, Department officials, and others, who were the company's guests upon those occasions, but that was the extent of the entertainment (page 431). Mr. Lilley's charge that large sums of money had been contributed by the company, its officers, or agents, to campaign funds of Members of Congress who favored the Electric Boat Company's monopoly of submarine construction, and also that large sums of money had been spent to accomplish the defeat of members of the Naval Committee who had not favored that company, was read in extenso to Mr. Rice, who said: "That is a malicious lie. That is all I can say about it. Never a penny. The company never, to my knowledge, that I know, ever contributed one penny to any campaign fund of any Member of Congress or any one else. * * * No, sir; nor for the defeat of any Member of Congress" (page 432).

The following also is from his testimony:

"Q. Mr. Lilley further stated in that hearing before the Committee on Rules, and used this language: 'This Electric Boat Company has been a stench in the nostrils of the country for years, and in my opinion it has done more to corrupt legislation than all the other corporations on earth.'

"A. Well, I think it is not my business to say anything here, excepting that as a citizen of the United States, I think that is an attack on Congress and on the integrity of Congress, rather than on us. How can we corrupt the incorruptible? The idea of all this is to injure us in our foreign business, to injure us here, to intimidate Members of Congress, that they dare not vote for our submarine boats, and then to create such an atmosphere in Europe that we can not compete with the Lake Company. That is the object. This atmosphere is being created all over Europe now."

In support of that statement he produced extracts from foreign newspapers, which articles, whether or not instigated by the Lake Company, as intimated by Mr. Rice, shows the lamentable extent to which this Congress and this country have been drawn into disrepute as the result of Mr. Lilley's charges. A French paper, the Liberté, containing a dispatch purporting to have been sent from Washington February 21, under the heading "The American Navy—A scandal," refers to Mr. Lilley's charges and says:

"The Naval Committee was firm for two battle ships instead of four and for eight submarines in place of four. It was rumored that these changes had been brought about by means essentially lucrative to the members of the committee."

The El Noroeste of February 27, 1908, says:

"Mr. Lilley proved that the increase in the number of submarines and the decrease in the number of battle ships to have been due to the activities of a firm building the former class of vessels, which succeeded in purchasing the good will of the members of the committee. The occurrence consequently shows the grossest corruption and the great iniquity."

Another Spanish paper published in Madrid says, under date of February 25, 1908:

"Mr. Lilley, the Congressional Representative for Connecticut, has shown that the reduction in the number of battle ships is due to the doings of a firm of submarine boat builders, which succeeded in bribing the members of the Naval Committee. Mr. Lilley has moved the appointment of a Congressional commission to make an investigation of the facts in the case. The occurrence has made a painful impression in the United States."

The Berliner Tageblatt of March 13, 1908, contains the following:

"According to a dispatch from Washington, a Congressional inquiry is at the present time being held concerning the Electric Boat Company, on account of the accusation which has been made publicly, averring that the said company had bribed Members of Congress for the purpose of inducing them to support the purchase by the Government of submarine boats built by the Electric Boat Company and to influence legislation in that direction. Congressman Lilley, who has been questioned by Congress as a witness, added the following deposition: 'I accuse the company to have made exorbitant profits, amounting to a million dollars, because the legislative body of the United States has given the inferior boats of the Electric Boat Company the preference over the superior boats built by other companies.'"

The Schlesische Zeitung, published at Breslau, February 22, 1908, contains the following:

"The following occurrence is reported from New York: In the House of Representatives Congressman Lilley accused the Electric Boat Company and the Holland Submarine Company of having influenced by dishonest means the present as well as previous programmes for the building of ships for the United States Navy. According to the accusation made by the said Member of Congress the two aforesaid companies succeeded in inducing the House of Representatives to modify the present programme for the building of naval vessels in accordance with their wishes, in respect to the construction of submarine boats, notwithstanding most energetic opposition on the part of President Roosevelt, the Secretary of the Navy, and the naval experts. This is the second time that American firms have been accused of having exercised a corrupting influence on the House of Representatives in respect to Government supplies."

Concerning the charges, insinuations, and suggestions in these dispatches, Mr. Rice says:

"Absolutely false. You see Congress, I think, and the people of the United States have been made—I do not like to use the word—well, I will say have been attempted to be made the instrument of promoting an unsuccessful boat as against a successful one. That is the whole object of all of this. If Mr. Lilley had been actuated only by upright motives, why did he wait until the appropriation bill had

been voted upon by the committee? He says it has been a stench in the nostrils for years and years. Mr. Lilley has been in Congress for years, and why did he wait? Mr. Lessler waited until an appropriation could be defeated and so did Mr. Lilley."

Mr. Lilley's charge in regard to applying for positions on the Naval Affairs Committee for new members and assuming to have influence in securing their assignment, and also in regard to contributions to individuals and party campaign funds was read to this witness, who said: "It is absolutely false; that is all I can say about it. We never claimed to have any influence with the Speaker, and it is an outrage to say such a thing." About the second he said: "That we have contributed to campaign funds? * * * Absolutely false."

He also testified positively that no funds had been given to any officer or representative of the company for discretionary disbursement, and that no member of Congress or official of the Navy Department has been at any time a stockholder in the company; that neither the company nor himself had any knowledge of the attempt of Mr. Ferry to influence any Congressman, and that Mr. Taylor nor Mr. Kellogg had no authority from the company to influence any Member of Congress; that no money was paid to any Member of Congress "not for submarine legislation or anything else" (page 461); that the company never employed Doctor Kerr or paid him money (page 464); that the fact that there was a Congressman from North Carolina on the Naval Committee had nothing to do with Mr. Marion Butler's employment, "not in the slightest degree; they are not of the same political party;" that the company had employed Mr. J. F. C. Archibald with reference to business in Venezuela and Peru, but "we never employed him for business in this country at all" (page 466).

Mr. Elihu B. Frost testified that he is vice-president and has general management of the Electric Boat Company (page 491). He employed Mr. Gordon chiefly with reference to matters coming up at the Navy Department; and Mr. Kellogg as a kind of "Ananias antidote," to correct matters in Connecticut, which he says "was the center of all the misstatements that came out about our boats." He asked Mr. Kellogg to satisfy himself as to the merits of his company's proposition and "whether he would not interest himself in it and correct some of the misinformation which was constantly coming from Connecticut and poisoning the ears, or minds, rather, of the Members from that State." So far as he knew the company had no attorneys in the districts of any Members of the Committee on Naval Affairs, with the exception of Mr. Kellogg and Mr. Gordon. He had never paid for any newspaper advertising, except the expense accounts of Mr. McNeir, including the amounts paid Mr. Erly and Mr. Lord for literary work. He denied emphatically any knowledge of any contribution to any campaign, either Republican or Democratic, in any year, or any contribution to any Member or candidate for Congress, either Republican or Democratic, at any time. His denials upon these points were very full and explicit (page 503). He never requested, instructed, or directed Mr. Gordon to approach any Member of Congress with reference to legislation on the subject of submarines, and did not procure Mr. Ferry to interview Mr. Lilley, nor Mr. Taylor to go to Washington to see him (page 506). He corroborated the testimony of other officers of the company that when, in 1900 and 1902, it had submarine boats here on exhibition it

invited Congressmen, naval officers, newspaper men, and others to witness their exhibitions, and did provide entertainment for the trips necessary to witness such trials, which entertainment was common to all the guests. The trips usually occupied from 11 o'clock in the morning to 1 or 2 o'clock in the afternoon, covering the lunch hour, and the lunch was provided at the expense of the company (page 507). Also on two trips, 75 or 100 persons, including Members of Congress, were taken to Annapolis to observe the operations of the *Holland* there, but nothing of that kind has been done since 1902 (page 516). While in Washington he stopped at the New Willard Hotel and his total expenses charged to the company for the four years ending with 1906 averaged $1,800 a year (page 508); neither he nor his company spent any money to elect or defeat any Member of Congress in any Congress (page 509); he never paid or promised to pay any Member of Congress anything of value in connection with submarines (page 511); and he had not appeared before any committee of Congress since 1904 or 1905, and had never approached or argued with any member of the Committee on Naval Affairs of the present House with reference to framing legislation (page 520).

Mr. Norman G. Johnson, general counsel of the Electric Boat Company. With reference to the employment of Mr. Kellogg he said: "Our principal rival, the Lake Company, in Connecticut, and for the last five years Connecticut has been the seat or rather the origin of persistent rumors discrediting this company and its methods * * * and Mr. Kellogg was retained, as Mr. Frost specified, as a general counsel, to counteract, so far as he could by general argument and by stating the history of our company and our wares, the libelous things that were being said about us" (page 728). At the time of Mr. Gordon's appointment Mr. Johnson did not know Mr. Loud nor in what Congressional district he lived. He suggested Mr. Gordon's name to Mr. Frost. He testified that the company had no attorneys in Ohio, Maryland, Texas, Iowa, Oregon, or Missouri. It has one in Texas, but not in Mr. Gregg's district (page 729). "I do not think during the last three or four years anybody has ever appeared for our company either before the Naval Committee of the House or the Naval Committee of the Senate" (page 730). He further says: "We do not do much now in that line at all. Originally we had to show our boat * * * so as to bring the merits of the boat to Congress. But of late years there has been very little legislative effort" (page 731). Upon the subject of political contributions he said: "The company has never made a contribution of a cent, but I would say in this connection that from my long personal acquaintance with Mr. Frost and my long personal acquaintance with Mr. Rice, knowing both of those gentlemen, Mr. Frost for more than ten years and Mr. Rice ever since 1899, and in my capacity as general attorney of the company, I can state positively that there is absolutely no foundation for such a report or rumor" (page 735). He said that none of the officers of the company had made contributions, except that he himself had, in response to a postal card request for a dollar contribution, contributed that amount to the Republican Congressional campaign committee, the same fund to which President Roosevelt also contributed $1. He denied emphatically that the company had attempted either to assist or defeat candidates for Congress; that it had no publicity department, or that

it paid any bills of that character except "as has been disclosed by the testimony of two isolated cases," meaning the amounts paid by Mr. McNeir to Mr. Lord and Mr. Erly, as already shown. He said that expenses incurred in Washington "are paid by check to the person incurring them." In all cases a memorandum is required to show the expenditures, but for the past four or five years expenditures had been very small, the largest item being Mr. Frost's, which averaged about $1,800 per annum. He denied that any person had ever been employed by the company for the purpose of "lobbying."

Mr. Maurice Barnett, secretary and treasurer of the Electric Boat Company, corroborated the statements of the other officers. The following extract is taken from his testimony:

"Q. Mr. Barnett, it has been stated before this committee by a witness, Mr. Lilley, as follows:

"'I also became advised of prevailing and persistent rumors that the Electric Boat Company had contributed in some Congressional districts represented by members of the Naval Committee to their campaign fund, and that it had contributed in one instance to the campaign fund of the opposing party in the Congressional district represented by a member of the Naval Committee.'

"I will ask you to state whether or not that is true.—A. That is not true.

"Q. Is it true in any particular?—A. In no particular.

"Q. Do you state that from your knowledge as secretary and treasurer and director and any other relation you have in the company?—A. In every relation I bear to the company or officers of the company I know the statement is absolutely untrue; the company has never contributed in any way, shape, or form to the campaign funds, either for or against the election of any Congressman.

"Q. Upon another charge specifically made, which I bring to your attention, made also by Mr. Lilley:

"'I further state that the question as to whether or not contributions or expenditures have been made in these certain Congressional districts represented by members of the House Naval Committee can be shown by an examination of the officers of the Electric Boat Company, and the presentation of vouchers, checks, books, and check stubs, as well as accounts.'

"I ask you what you say as to that?—A. My first statement is that an examination would not reveal such entries, because they do not exist; the disbursements have never been made, and therefore it would be an impossibility for them to be shown by an examination of the books of the company.

"Q. Then do I understand you to deny in the first place that any such contributions or payments have been made?—A. Deny absolutely and positively.

"Q. And in the second place you say, if I correctly understood you—I will ask you whether the vouchers, check books, check stubs, or accounts of your company will show any such expenditure?—A. They will not show any such expenditures."

Referring to other officers of the company he says: "They have never drawn any money without signifying the purpose for which it was drawn" (page 669).

"Q. Did the Electric Boat Company keep any books of accounts showing money paid by it to Mr. Isaac L. Rice, Mr. E. B. Frost,

Mr. Norman G. Johnson, and other persons employed as attorney or otherwise in its efforts made to secure legislative appropriation for submarines? If so, what books were they, how kept, who by, and in whose possession are they at the present time?—A. There was no money paid for such purpose" (page 670).

"Q. Then were there any books in which accounts of such money was kept?—A. No" (page 670).

Mr. Augustus Treadwell, jr., assistant secretary and treasurer, was equally clear and explicit in his denials of Mr. Lilley's charges. He declared that the company "keeps all the books such as are kept by any corporation," and that none of them had ever been destroyed. They do not show any such expenditures, as charged by Mr. Lilley, because no such expenditures had ever been made. Speaking of campaign contributions, he said: "I am certain none have ever been made." He denied that he or Mr. Barnett, the treasurer, had ever signed any checks for any such purpose. Referring to the charge that the company, its officers or agents, had contributed to the campaign funds of Members of Congress who favored the Electric Boat Company he said: "I should say it is absolutely false." And to the charge that expenditures to accomplish the defeat of members of the Naval Committee not favoring the Electric Boat Company, he said: "It is absolutely false" (page 741). Again, upon the subject of campaign contributions, he said: "There has been no money paid to my knowledge, and I believe it is absolutely false, because there has never been a cent paid." Replying again to a question involving the charge of contributing to campaign funds of an opposing party in a district of a member of the Naval Committee, he said: "I do desire to be understood as saying that no such payment has been made." And again, replying to a question as to where the vouchers, check-books, and accounts could be found, showing contributions of that kind, he said: "Nowhere, because I do not believe that they exist * * *. No, sir; I do not believe that they exist * * *. I mean to say that no such payments have ever been made, and consequently no necessity for such entries" (page 742). And again: "My answer to that is, as I firmly believe there have been no such payments made, there could be no such books * * *. If such expenditures existed they would * * * appear in the books, but as they never existed I do not see how they possibly could show it" (page 743). And again: "I firmly believe, in fact I know, not one single penny could be paid to anybody that does not appear on the books" (page 744).

Mr. William D. Gordon, of Midland, Mich., is and for the past eight years has been United States district attorney at Detroit, and has held other prominent political positions. In 1906 he had professional business in New York City in a matter in which Mr. Norman G. Johnson was interested. Mr. Johnson introduced him to his partner, Mr. Frost, vice-president of the Electric Boat Company, who retained Mr. Gordon professionally on or about March 7, 1906. Mr. Gordon testified that Mr. Frost "said that the company had considerable difficulty with the Department of the Navy—Navy Department—through some unwarranted hostility toward the company" (page 396). After asking him if he knew Assistant Secretary Newberry, of Michigan, he said he desired "to retain him (Mr. Gordon) as attorney for the company to look after the general business of the

company to advise it from time to time and to appear before the Navy Department whenever I was called upon in the interests of the company" (page 390). He testified that Mr. Frost thought "there was some antagonism existing in the Navy Department that ought not to exist, and he mentioned the fact that Mr. Newberry was from Michigan and that I could present matters to Mr. Newberry from time to time and to the Secretary of the Navy himself in the interest of the company and that it might be beneficial to the company" (page 392). Mr. Gordon had conferences and presented matters to the Navy Department on several occasions (page 393). He also assisted in the preparation of the brief which was submitted to the Attorney-General of the United States on behalf of the Electric Boat Company, as testified by Mr. Marion Butler.

Mr. Frost was very much exercised about a rumor that the Secretary of the Navy was to give half of the $3,000,000 appropriation to the Lake Boat Company, and Mr. Gordon went to the Secretary of the Navy in that matter (page 416). He also took an active part in behalf of the Electric Boat Company before the Navy Department after the rendering of the opinion by the Attorney-General (page 395). He says that he talked with Mr. Loud in March, 1906. "I simply wanted to get his views and he expressed them as being practically in accord with Admiral Dewey's. The subject was dropped there, and that is the only conversation I had with Colonel Loud relative to submarine boats" (page 419). He was never directed nor requested by officers of the Electric Boat Company to hold any conference with Mr. Loud, and it was never intimated to him, directly or indirectly, that as part of his employment he should confer with Mr. Loud concerning submarine legislation (page 392). He never appeared before any committee or conferred with any Members of Congress concerning submarine legislation. "On the contrary, I told Mr. Frost that I did not care to do it; at the time he did not ask me to do it as I remember. I think I volunteered the statement that I did not care to do anything that might be regarded as lobbying" (page 393). He testified that his name "has been mentioned by my friends as a candidate for Congress as early as 1886 and periodically since then; I was mentioned for governor of the State, lieutenant-governor, and all that kind of thing". Asked if he had ever been a candidate at all, he answered, "No, sir; I never have." He says that he has taken no part in political campaigns with a view to influencing Mr. Loud to be friendly to the Electric Boat Company (page 393), and that his political efforts had not been indicated, directed or affected by his employment with the Electric Boat Company. "Not in the slightest degree." He does not know of any political action of the Electric Boat Company or its officers in any locality. "I know nothing at all about it."

"Q. Have they ever had conversations with you or given you any directions to interfere in any political contest concerning Representatives in Congress?—A. They have not" (page 394).

He does not know of their assisting any Members of Congress or assisting in defeating any Members of Congress. "I have never heard anything of the sort until this investigation; on the contrary, I never saw anything in their conduct or heard anything said by any member of the company that was other than honorable and upright and straightforward" (page 394). He has never appeared before any

committee of Congress since his employment by the Electric Boat Company, and does not personally know and has never made an effort to find out how Mr. Loud voted on submarine legislation. He testified that it was not in the scope of his employment that he should know. He was in Washington February, 1908, for consultation with Mr. Frost, with reference to the attempt of the Lake Company to secure a contract for a part of the appropriation of the Act of 1907. He did not do or say anything intended to affect the action of the Naval Affairs Committee with respect to submarines (page 421). The following passage occurs in his testimony:

"Q. I will invite your attention to this statement:

"'The story as it is being passed about the Capitol is that a prominent lawyer of the Tenth Michigan threatened to become a candidate for Congress against Mr. Loud, and that he agreed to keep out of it when Mr. Loud promised to be not hostile to the Holland submarine boat.'"

"Q. Did you catch that question?—A. Oh, yes.

"Q. Is that true or untrue?—A. It is absolutely untrue.

"Q. In all of its parts?—A. In all of its parts."

Sometime in the latter part of November, 1907, before the organization of the present Congress, there was an interview in Washington between a young man named Clarkson, secretary to Congressman Hobson, and Mr. Spear, and later a conversation by telephone between Captain Hobson and Mr. Spear. There is some difficulty in reconciling the recollections of these three gentlemen as to just what was said. Captain Hobson and Mr. Spear were in the Naval Academy at Annapolis together, have been in the naval service together, and have enjoyed friendly and cordial relations for more than twenty-two years, and they had recently met upon the Pacific coast. Mr. Spear, being in Washington, dropped a letter to Captain Hobson, stating that he would like to see him. Captain Hobson was ill at the time, and at his request his secretary had a telephonic communication with Mr. Spear at his hotel, and finally called upon him there, telling him that Captain Hobson was not well enough to be seen. He then reported the interview to Captain Hobson, whereupon there followed a telephonic communication between the latter and Mr. Spear. Captain Hobson says, "He called up over the phone, and it was over the phone that he spoke to me directly." Again he says, "Q. Then he called you up by telephone?—A. Yes, sir" (page 64).

Mr. Clarkson, however, says, "He (Mr. Hobson) was on a couch and I told him what Mr. Spear had said to me. He says, 'Call up Mr. Spear.' I called him up. I told him to wait a minute, Captain Hobson wanted to speak with him, and Captain Hobson said, 'Spear, what did you want to see me about?'" (page 335).

Mr. Spear also said in the course of his testimony, "The next thing was a telephone conversation between Mr. Hobson and myself. Q. How did that come about?—A. I think Mr. Hobson called me up" (page 214).

As to which called the other up is entirely unimportant. The discrepancy on this trivial point is referred to merely as possibly tending to show whose recollection as to the entire occurrence may be the more accurate. Captain Hobson says that over the telephone Mr. Spear said substantially this: "That he understood I wanted to get on the

Naval Committee and that his company would be able to help me; would have influence to bring that about if I stood right on submarines. * * * He said 'with the Speaker'" (page 64).

Mr. Spear's account of the interview is as follows:

"Q. Then, as to the result of that interview with him on the Pacific coast?—A. That convinced me, that result, that he favored a large number of submarines as compared with a small number, and I have seen nothing since that would lead me to think that he had changed his mind.

"Q. Then did you or not say to him if he stood right on submarines your company would be able to help him to get on the Naval Committee?—A. I did not, sir.

"Q. I read further from the testimony immediately following that which I did read:

"'Q. Did he say influence with whom?—A. Yes, sir.

"'Q. Whom did he say?—A. I would rather not tell that, sir, unless you insist.

"'Q. We would like to have you state, Mr. Hobson.—A. He said with the Speaker.'

"A. No, sir.

"Q. What do you say as to that?—A. No reference was made to the Speaker except the reference I have told you about, which, in my recollection, occurred in the interview with his secretary, but I told him, 'Of course, I wish you to understand that if you get Mr. Williams's favorable recommendation that is all there is to it, the Speaker always acts on that, as far as I have ever heard.'

"Q. The only thing you said then to either Mr. Hobson or his secretary about the Speaker was if they secured the recommendation of Mr. Williams in pursuance with the custom of the Speaker he would undoubtedly appoint him?—A. That was it, yes, sir.

"Q. But you made neither of these men, nor did your company, any offers of influence or friendship of the Speaker?—A. No, sir. The only thing that could be construed into an offer of help at all was the offer I quoted to you, 'If there is anything I can say to help you I would be very glad to do it'" (page 216).

Spear further testified that he had no influence with the Speaker, did not know the Speaker, had never spoken to him in his life, never communicated with him nor had any communication from him, had never held out to anybody that either himself or the Electric Boat Company had in any way, shape, or manner any influence with the Speaker, and that the same was true as to Mr. Williams. That no officer, agent, or employee of his company ever did anything with Mr. Williams or the Speaker or anybody else to secure Mr. Hobson a place on the committee, and that as to Captain Hobson's views in the matter, "I was very much surprised that he had drawn these conclusions, which I think he drew by mixing up my conversation with him and my conversation with his secretary" (page 218).

That there was some possible confusion would seem from Captain Hobson's own testimony, in the course of which the following occurred:

"Q. Did he seem to understand how minority Members secured places on the committees?—A. I think he did. I do not remember whether it was to me or my secretary that he said that I would have to look out for Mr. Williams, but I can tell whether it was myself or

my secretary by sending for the secretary; but it is immaterial, I think.

"Q. But the idea was that if you secured the support of Mr. Williams——A. That he would do the rest" (page 64).

Mr. Clarkson says that in his interview with Mr. Spear the latter did speak of "both Mr. Williams and the Speaker." The accuracy of Captain Hobson's recollection is perhaps further tested by his statement of the manner in which he did secure appointment upon the Naval Committee in the present Congress. He says: "I made an official application to Mr. Williams and to the Speaker, and I think that was all. I do not remember that I urged my case to the minority leader and I do not know whether my friends did" (pages 65–66).

His secretary, Mr. Clarkson, testifies that "he also got the indorsement of the Alabama delegation, indorsing, I think, to Mr. Williams for appointment on this committee" (page 336).

There is also abundant other evidence in the record that Captain Hobson himself prepared the indorsement which at his request the other members of the Alabama delegation (save one who was absent) signed; that several members of the Alabama delegation did personally interview Mr. Williams in his behalf; that he, Mr. Williams, the minority leader, did in writing present the name of Captain Hobson to the Speaker for such appointment, and upon that presentation by Mr. Williams, and upon that alone, he was appointed to that committee by the Speaker.

In every instance save one, which had no reference to the Naval Committee, the Speaker placed Democrats upon the committees in accordance with the recommendation of Mr. Williams, who, having received the Democratic nomination for the Speakership, became, in accordance with custom, the Democratic or "minority leader."

As all the parties to the interviews seem to have clearly understood that the appointment would be made upon the recommendation of the Democratic or "minority leader," it would have been, to say the least, an idle and foolish thing to proffer influence with the Speaker. In any event, no such influence was attempted. The interview, or telephonic communication, did not seem in any way to disturb the friendly and cordial relations between Captain Hobson and Mr. Spear, for some six weeks later, at the Capitol, they had a friendly conversation concerning which Mr. Spear testified as follows:

"Q. Was any reference made in that meeting at the Capitol to the telephone conversation?—A. Not at all, not the slightest, and at the close of that conversation Mr. Hobson volunteered the information that he thought the number of submarines ought to be double what the Secretary ordered.

"Q. That would make eight instead of four?—A. Yes, sir. I have in no way, shape, or form, then or at any other time, endeavored to influence Mr. Hobson, acting as a member of the committee on submarine boats, or on any other matters pending before it.

"Q. Have you sought in any way to get him to favor one company's boat as against another company's boat?—A. I have not. The sole purpose of my conversation with Mr. Hobson which referred to submarines I have stated to you, and it was purely voluntary on his part; have never even discussed with him the relative merits of different types. I have never discussed with him in any way, shape, or form, because I felt the company's record was quite sufficient to make

his judgment coincide with mine. I did not consider there was any question about merit of the different types of boats. I did not consider that anybody with technical information would consider that there was any question about it" (page 218).

This testimony has not been disputed by anybody. It is, on the contrary, corroborated by Mr. Clarkson, who was present part of the time; and he also, speaking of Captain Hobson, says: "I have not ever heard him mention any boat except the boat, as I understand, made by the Holland boat people. He made a statement to me that they had a very good boat, and if they would employ the proper means and methods they would have no trouble about getting plenty of Government contracts, because they had a very good boat.

"Q. What did that refer to?—A. That occurred in a discussion of the Holland boat, as I understand. I asked him what kind of a boat that company made that the investigation was about. He said it was a very good boat" (page 339).

The incident above referred to, having been casually mentioned by Captain Hobson to Mr. Lilley, the latter made it in the authorized newspaper interview produced before the Committee on Rules the subject of the general charge, that "They have even gone so far as to find out what new Members of the House have applied for positions on the Naval Affairs Committee, and they have assumed to have influence in securing the assignment of members on that committee" (page 12).

But before this Committee, he said:

"I do not charge and I do not believe the person in question could exercise any actual influence in procuring an appointment to the Naval Committee. I do say and I do believe that the purpose was to ingratiate the Electric Boat Company in the favor of the Member of the House without warrant, by this offer of pretended influence and to mislead said Member to believe, in case he were appointed, that he owed his appointment to the Electric Boat Company."

As Captain Hobson testifies that both he and Mr. Spear understood that the appointment would be made upon the recommendation of the minority leader, it is difficult to see that there could have been any attempt on the part of Mr. Spear to hoodwink and delude his former comrade in the Naval service into the belief that if accomplished it would be the result of influence of the Electric Boat Company with the Speaker. In any event there was no such influence attempted.

With the exception of Frank L. Edinborough (not an officer of the Electric Boat Company) this embraces the entire list of witnesses submitted by Mr. Lilley as those whose testimony would support his charges. For the purpose of eliciting the truth, these witnesses were most thoroughly examined by members of your committee, their examination covering hundreds of pages, and there were also submitted to them hundreds of questions, presented for that purpose by Mr. Lilley, over his own signature, but which questions, the later evidence shows, were prepared in the office of the Lake Torpedo Boat Company. Two hundred and four such questions were propounded to Mr. Rice alone, and large numbers to other witnesses.

As the testimony of these witnesses did not sustain the charges of Mr. Lilley, and your committee had by this time discovered that the Lake people were really back of the charges against the Electric Boat Company and back of the inquiry, it occurred to us that they might

be able to furnish some evidence as to the conduct of their rival. We therefore thoroughly examined the officers, attorneys, and agents of the Lake Torpedo Boat Company.

The following is from the testimony of Mr. Simon Lake, president (page 1059):

"Q. You have been for some time in pretty hot rivalry or competition with the Electric Boat Company?—A. About fifteen years, I think.

"Q. I would like to ask you, assuming that in that competition you must have seen a good deal of the other boat company, whether you have any personal knowledge of any improper expenditures of any moneys by that company with reference to securing Congressional legislation?—A. No, sir; I have not.

"Q. State whether you have knowledge of any expenditure by the Electric Boat Company or its officers for the purpose of electing any particular member of Congress.—A. No, sir; I have not.

"Q. Or the defeating of any Member of Congress or candidate for Congress?—A. No, sir; I have not.

"Q. Have you any knowledge of any such expenditure of money or any attempt at electing or defeating any particular Member of Congress by any of the officers of the Electric Boat Company?—A. No, sir.

"Q. Have you any knowledge of any attempt by any torpedo boat company to secure the election of any person as a Member of Congress?—A. No, sir.

"Q. Or to defeat any person in his attempt to secure his election to Congress?—A. No, sir.

"Q. It has been charged here by Mr. Lilley, and this is his language: 'That it can be shown upon investigation that certain representatives of the leading newspapers have been subsidized and paid by the Electric Boat Company for favorable newspaper articles and reports in favor of said company.' Have you any knowledge upon that point?—A. No personal knowledge; only what I have read in the testimony before the committee.

"Q. Have you any knowledge of such action on the part of any other torpedo boat company?—A. I have not.

"Q. Or any activity on the part of any torpedo boat company to secure the publication of newspaper or magazine articles favorable to its boats or unfavorable to the boats of any other company?—A. I can only speak for my own company. We have always published such matter as we thought was pertinent to the subject of submarines, whereby people could be enlightened in regard to the merits of our type of boat.

"Q. You have not considered it improper to state in newspaper or magazine articles the merits of your boat?—A. No, sir.

"Q. Or if any particulars the other boat was inferior, you have not hesitated to say so?—A. We have not hesitated to give the facts as we understood them as to the merits or demerits of any type of submarine.

"Q. Do you know of any improper conduct on the part of the Electric Boat Company or its officers or of the Holland Boat Company or its officers in connection with either the securing of legislation by Congress or contracts from the Navy Department?—A. No, sir."

None of the other officers, agents, or attorneys of the Lake Company had any information upon the subject so far as their testimony disclosed.

Mr. Charles R. Flint, agent of the Lake Torpedo Boat Company for the sale of its submarines in other countries, testified that the prices paid the Electric Boat Company by the United States Government would not, in his judgment, afford an unjust profit, and that "these prices are not materially higher than the prices paid by European governments and they are not materially lower." (p. 141).

MR. LILLEY'S CHARGES AS TO EXCESSIVE COST OF SUBMARINES.

One of the principal subjects of criticism of naval affairs by Mr. Lilley, and one of the charges filed by him before this committee, was that contained on page 32 of the Hearings, as follows:

> I also submit as one of the facts influencing me to introduce my resolution that in my judgment under special and exclusive legislation the Electric Boat Company and its predecessor have already received from the United States an excessive profit of more than $1,000,000 for the construction of its submarines, and that under the proposed legislation now pending it will receive a profit of more than $1,000,000 in excess of what ought to justly and fairly be paid for the construction of submarines provided for, and that this fact can be substantiated by your committee by calling as witnesses the expert officials and constructors of the Navy Department.

This charge of excessive and corrupt profits was adhered to by Mr. Lilley to his latest testimony before the committee (pp. 1608–1618). Such a serious and persistent charge requires careful consideration and investigation. The original resolution and the charges and hearing by Mr. Lilley before the Committee on Rules, February 25, 1908, and his interview in the Washington Post, February 21, 1908, did not include this specific charge. It first appeared in his examination before this committee on March 12 (p. 32). Mr. Lilley states that this charge can be proven by calling as witnesses the expert officials and constructors of the Navy Department. Concerning their qualifications to so testify he states as follows:

> Chief Constructor Capps, who I believe to be the best engineer in the world (p. 8).
> Those men are splendid, able naval officers (p. 1351).
> I believe they are the best there are in the world (p. 1353).
> I think Admiral Bowles has no superior as a constructor and business man (p. 1354).
> I desire that Admiral Bowles shall be summoned to testify as to these facts (p. 1368).

It is to be considered at this point that nowhere does Mr. Lilley attempt to prove by Capt. R. P. Hobson, of Alabama, the fact that these charges and profits were corrupt and excessive; and throughout the testimony and proceedings concerning these charges Captain Hobson appears to have been one of his friends and advisers, associated with him daily upon the Committee on Naval Affairs, both acting and working together upon many subjects of naval interest, and apparently they had some conferences together upon the subject of this investigation. It is conceded that Captain Hobson is a naval officer of experience and ability in this particular line of work, and could greatly assist Mr. Lilley in obtaining the facts as to excessive cost and profits, if he had been consulted and if such were found to have existed. No testimony by Captain Hobson was offered before this committee upon this point and none was suggested by Mr. Lilley.

The charges of excessive cost appeared before this committee substantially in the following manner: On the 13th day of February, 1908, F. B. Whitney, vice-president of one of the subsidiary Lake

companies, prepared an article for a New York newspaper, elsewhere referred to in this report, in which he claimed that there were excessive profits and graft to the Electric Boat Company in the sum of $1,476,296.60, under the provisions of the item concerning submarines, in the naval appropriation bill which had been passed upon by the House Committee on Naval Affairs on the 10th day of February previously (p. 1783). These figures were based upon the testimony of Admiral Bowles, then Chief of the Bureau of Construction and Repair of the Navy Department, before the House Committee on Naval Affairs in January, 1902, as it appears in these Hearings, pages 353–354. Admiral Bowles is shown to have testified as follows:

I was about to say that the cost of a submarine boat largely depends on the amount of experimentation which has to be done. That is certainly very expensive. Now, my calculations show that a reasonable cost, with a handsome profit to the contractor for the boats now building, would be $89,459.

Of that I have allowed $11,100 for trials and tests. This price includes a fair percentage for the usual margin of general expense, such as are incurred in manufacturing work, but nothing more.

The testimony further shows, on page 355, that the boat referred to, then building, was of the so-called *Adder* class of 120-ton boats, submerged tonnage. The average cost per ton is thus calculated by dividing this aggregate cost of $89,459 by 120 tons, producing a result exactly of $745.49⅙. By some process, apparently known only to Mr. Lilley and to those who employed the figures throughout these hearings, instead of using an actual calculation as a basis of the reasonable cost of boats of this class they used instead the figures, as a basic cost per ton, of $745.45. These were entirely fictitious and arbitrary, had no basis of fact and can not be calculated from any testimony of Admiral Bowles or of anybody else, so far as this committee is advised. Yet they appear to have been used by Mr. Lilley, Whitney, Neff, and Webster, and all of the other witnesses who used such figures as a basis of cost per ton upon which to reckon a charge of excessive and corrupt profits (pp. 364, 1289, 1487, 1492, 1735).

The figures "of $1,476,296.60 graft appearing in the naval bill of 1908," as described in the newspaper articles and later in the anonymous letter, and later in resolution No. 264, introduced by Mr. Lilley, and later as appearing in the testimony throughout these hearings, appear to be calculated in somewhat the same way. The Loudenslager amendment to the naval appropriation bill of 1908 provided for eight submarines of the type of the winner in the tests of May, 1907 (p. 423). The calculations upon this basis, to show excessive cost, appear upon page 355 of the Hearings, as follows:

Computing the excessive profit to the Electric Boat Company from the proposed legislation, as above quoted, on Admiral Bowles's figures, we have:

Eight submarines of the *Octopus* type at a cost of $3,500,000, which means a unit cost of $437,500 for a 340-ton boat, or $1,286 per ton. Deducting from this proposed price the price per ton ($745) recommended by Admiral Bowles, who, as I have stated, is the builder of these boats, and it is seen that the Government would be paying an excessive profit of $541 per ton. In other words, the excessive profit on these eight boats of 340 tons each would be $1,471,520.

Another method of calculation is further shown by the preamble in House resolution 264, introduced by Mr. Lilley on the 27th day of February, 1908 (p. 364):

Whereas, first, the following statements have been published in the public press: "It can be readily seen that the programme of the House committee at this session proposes to pay at least one thousand two hundred and eighty-six dollars per ton for

the submarines, against a reasonable price named by Mr. Bowles of seven hundred and forty-five dollars and forty-five cents per ton, or one million four hundred and seventy-six thousand two hundred and ninety-six dollars and sixty cents more than the present builder said they were worth when he testified before the committee in nineteen hundred and two."

But none of these calculations produce the exact figures of $1,476,296.60, shown in the New York paper and as subsequently used by all the parties in the investigation as to the excessive cost, profit, and graft contained in the submarine item of the pending naval appropriation bill (pp. 364, 366, 1289, 1486, 1491, 1492, 1494, 1495, 1496, 1501, 1545, 1602, 1783, 1784).

No evidence appears before this committee and no calculation has been presented by which these figures can be ascertained. They seem to be entirely arbitrary and fictitious, have no basis for existence, and certainly do not show any definite thing as proven before this committee, so that whoever used them evidently received them from the person who first prepared or calculated them, and then put them before the public without knowing or realizing or caring whether or not they had any basis of fact. These figures next appear in the anonymous letter sent to Frank L. Edinborough, Bay City, Mich., on the 15th day of February, 1908 (p. 726).

They next appear in House resolution 264, introduced by Mr. Lilley in the House of Representatives on the 27th day of February, 1908 (p. 364). Admiral Bowles testified (p. 1748) that his testimony of 1902 had been the subject of much discussion and controversy in the six years following it, but during all of that time and in all of the discussion he had never seen, heard, or known of this peculiar use or construction or calculation of either the $745.45 per ton as a basis for cost of submarines of the *Adder* type, or later the peculiar amount of $1,476,296 excess cost of submarines provided in the naval bill of this year. The only other figures relating to excess cost appearing in the testimony are the general ones concerning undue profits or excessive charges in past contracts of $1,000,000 (pp. 43–45, 241, 278–280, 295–296, 445, 1100–1101, 1602).

But no testimony was adduced to show any connection of these figures with the actual facts. No calculation is put into the record as a basis for the use of these figures, and no testimony from any source was presented, showing that these figures had any relation at all to either the cost as provided by the contract or the profits accruing to the contractors. But on the contrary, the testimony of Secretary Metcalf, Admiral Capps, and Admiral Bowles was all to the effect that no such excessive profits could have been possible under the severe contracts, methods, and tests of the Navy Department (pp. 280, 297, 1743).

It is next important to ascertain whether the testimony of Admiral Bowles before the House committee, of January, 1902, was an accurate and proper basis in the consideration, by this committee or any other committee, in trying to ascertain whether or not excessive or corrupt profits had been extorted by the Electric Boat Company from the United States Government during the past years and in past contracts, or is attempted to be extorted by the provisions of the present bill.

Admiral Bowles stated that he and Admiral O'Neil and Admiral Melville sought to prepare figures which would give them an approximate idea of what would be the fair commercial value of a boat of

that type. The boats had not been completed and neither of these officials had ever had any practical knowledge or experience in constructing them (pp. 1734, 1745). The manner of calculation was to take the total weight of the boat, dry, and divide it into groups of materials of a similar commercial character; then assume for each group a price per pound, and in that way a fair commercial market value of the material could be made (p. 1734). Admiral Bowles stated that any estimate of value per ton is very erroneous and must not be understood to be correct, and can only be a rough approximation (p. 1735). In making any estimate of the cost or value per ton, consideration should be had to the type of the vessel, its method of construction, the kind of materials, workmanship, cost of assembling, and many other details which can not be fairly presumed unless the boats are exactly of the same type and built upon the same standards (pp. 291, 296, 304).

Other witnesses corroborated this statement that the cost and value per ton of a vessel of this class is entirely misleading.

Spear (p. 229).

Simon Lake (p. 1090).

Flint (p. 1449).

Admiral Bowles also showed that other corrections should be made to his testimony of 1902 in order to obtain a fairly accurate result at the present time. First, the tonnage of the *Adder* in the calculations of Whitney, Mr. Lilley, et al. is reckoned at 120, which is the submerged tonnage of the boat with the tanks full of water (p. 1735). The estimate of Admiral Bowles was made solely upon the dry weight of the materials used in the construction, which would be about 20 tons less. The divisor thus should be 100 instead of 120 tons (p. 1735).

Second. Next, labor and materials would cost between 10 and 20 per cent more now than they did at the time the calculation was made (p. 1735).

Third. The *Adder* was built of commercial materials and subject to commercial inspection and not subject to Government tests. Vessels now are built on Government specifications and tests, which cost about 20 per cent more on an average than when constructed on a commercial basis (p. 1736).

Fourth. The cost of tests and trials at the time the *Adder* was constructed was comparatively small as against the cost of the tests required now. It is estimated that about 8 per cent of the total cost is required for experimentations and trials under the requirements of the Navy Department at the present time (p. 1735).

Fifth. This estimate does not include the expenses of incidentals, officers, administration, general shop, and power and patents (pp. 1733, 1745).

Adding these various items to the basic cost obtained from previous figures of $745.49⅛, and it would thus appear that at the present time the approximate cost would be about $1,240 per ton (p. 1737). That approximates the cost of vessels under the latest contracts (pp. 313, 1090, 1449).

Admiral Bowles further testified that there was no profit in the construction of the *Octopus*, and that it really represented a loss to the Electric Boat Company (pp. 1733, 1743), that his company was interested in the financial result of the *Octopus*, and so expenses were kept down to the closest margin, and he knew the details of cost, and

that it really represents a loss to those constructing it (p. 1743). This is the substance of the testimony of Admiral Bowles, whom Mr. Lilley stated was the ablest constructor in the country (p. 1356); that he was a superior business man (p. 1354), and that he desired him to be summoned to show the facts and charges as to excessive cost (p. 1368).

The testimony of Admiral Bowles as to excessive cost is sustained by Secretary Metcalf, who testified as follows (p. 280):

A. If the Department had even felt that the company was asking an exorbitant price for these boats it would not have let the contract, but waited until the next session of Congress and then reported the facts to Congress.

Mr. Simon Lake testified on the question of cost as follows (p. 1089):

This present boat would cost from $50,000 to $75,000 more than we could put it out six years ago.

This would be from 15 to 20 per cent more than the cost at the time that the figures of Admiral Bowles first appeared.

Mr. Charles R. Flint, who has had large experience in the sale of submarine boats to foreign governments, testified as follows (p. 1449):

Q. I perhaps gave you the figures incorrectly. I have now before me page 299 of our hearings, in which it appears in the testimony of Admiral Capps that of the last seven boats contracted for and to be supplied by the Electric Boat Company four were at $285,000 each and three at $360,000 each. Now, having those figures in mind, would your answer be the same?—A. My answer is that these prices are not materially higher than the prices paid by European governments, and they are not materially lower.

Q. Are they materially higher or lower than the prices paid by foreign governments for the boats of the Lake type?—A. No.

Q. In your judgment are these prices you have stated now the comparison with foreign governments? I will ask you this question: Do you consider that at the figures I have mentioned they will yield an undue or unjust profit to the Electric Boat Company?—A. I am not competent to answer that question. I have not a sufficient detailed knowledge of the business to answer that, but my general impression is that the profit is not an excessive profit, but I have not the technical knowledge that is obtainable so as to answer it specifically.

Q. But your judgment is that the prices indicated would not afford an unjust profit?—A. That is my judgment.

This testimony should be considered in connection with the legislation and contracts under it for the past ten years. (See pp. 583, 584, Naval Yearbook, 1907.)

Mr. Lilley based his charges of excessive and corrupt costs upon three classes of facts: First, the arbitrary and fictitious figures as used or created by Whitney and subsequently adopted by Neff, Webster, and himself without any personal investigation or calculation (pp. 1343, 1346, 1349); second, that the Secretaries of the Navy were men without experience in business matters, and did not remain in office long enough to become acquainted with such duties, or did not ascertain whether the Government was suffering from extortionate or excessive profit in prices of construction (pp. 1341, 1345, 1352, 1355); third, that the naval officers in charge of the various bureaus were not business men, had no business experience, and were by training unfitted to judge of fair prices in contracts (pp. 1351, 1352, 1354).

As to the first class of facts upon which such charges were based, that of arbitrary fictitious figures, the committee consider that such charge has no basis in fact, results from no calculation shown in the testimony, has been demonstrated to be false in fact, is based on false premises, did not contain the necessary items of cost of construction,

and has not been used by anybody of official, professional, or technical standing or repute anywhere, though the alleged basis of them has been on record for more than six years. Furthermore, they first appeared to have been first prepared or used by a man who confessedly sent an anonymous letter, secretly designed to ruin a trusting friend, and were used by another young man who had no experience in any class of business and particularly not in this business, and without knowledge or verification of them in any way.

Lastly, these fictitious figures were used by Mr. Lilley himself without any personal knowledge or investigation as to the legislative history, policy, or course of action of the Navy Department concerning the matters which should be a basis for them (pp. 1549 et seq.), though at the beginning of the testimony he testified that he had personally familiarized himself with these facts (p. 28).

Mr. Lilley never made any calculation, investigation, or verification as to either facts or figures, but used these arbitrary and fictitious figures without question (pp. 1343–1349). He did not inquire concerning them of his friend Captain Hobson, who was in a position to correctly inform him about them. He requested naval officers to be examined and then refused to take their word (pp. 1341 et seq.); he demanded that Admiral Bowles testify as to these facts and then declared he would not believe his testimony (p. 1354); he charged all the Secretaries of the Navy for more than fifteen years with incompetence approaching corruption (pp. 1352 et seq.), and all the heads of the Navy bureaus at the same time to be incapable and incompetent and unable to know what were fair prices and profits in construction (pp. 1354 et seq.).

It was called to his attention that the men who had filled the position of Secretary of the Navy during the past fifteen years had all been men of successful business attainments, of the highest character and private professional standing (p. 1355); and that the naval officers who had charge of this work were eminent in their profession, of the highest character and ability, and especially trained by the best education in the world to do this very work (pp. 1354–1355).

Mr. Lilley admitted that he had voted for these past appropriations, and in the pending bill had voted for submarines to cost $3,500,000 (pp. 1357–1359).

Notwithstanding this conclusive array of facts against his contentions and the gross errors underlying and pervading his attempted proof, he yet insisted upon his original claims (p. 1360).

This perversity in face of demonstration to the contrary, and regardless of the damage it may do to the good fame of the Navy and its officials in the eyes of the world (pp. 433–434), in the estimation of your committee completely discredits his good faith in originally making such charges and subsequently on following them up before this committee.

Connected with the charge of excessive and undue profits is the charge of special and exclusive legislation by which excessive and corrupt profits were realized (p. 32); that appears in the testimony of Mr. Lilley, and is as follows:

> I also submit as one of the facts influencing me to introduce my resolution that in my judgment under special and exclusive legislation the Electric Boat Company and its predecessor have already received from the United States an excessive profit of more than $1,000,000 for the construction of its submarines.

The legislation upon the subject speaks for itself, and has already been set forth in this report. There was competition under the act of 1896 and 1899, and the act of 1900. It was expressly provided by the act of 1903. The acts of 1906 and 1907, for which Mr. Lilley voted (p. 1355) gave discretion to the Secretary of the Navy to make a contract with both the winner and the loser in the tests of May, 1907. The opinion of the Attorney-General settled that fact (p. 271), and Mr. Lilley knew this in the summer of 1907 (p. 1502). From that time continually to the date of the filing of his resolution Mr. Lilley knew that the Secretary of the Navy had the discretion and power to make any contracts which he saw fit, which complied with the requirements of the law and the tests of the Navy Department. Yet he swore that owing to special and exclusive contracts excessive profits of more than $1,000,000 had been paid by the United States (p. 34).

On this point he stated to the committee not only what he had every reason to know was false, and in spite of the fact that he had personally acted and solicited benefits for his friends upon the basis that the direct contrary to his statement was true (p. 1502). It is only necessary in this case to state the facts as Mr. Lilley himself has testified, to show the insincerity and deliberate falseness of his position.

FINAL ANALYSIS OF MR. LILLEY'S MOTIVES AND CONNECTION WITH THE LAKE COMPANY PROPAGANDA.

Hon. George L. Lilley was appointed on the Naval Affairs Committee in the latter part of 1905.

In his first written statement, submitted at the opening of the hearing before this committee, he makes the specific charge that "one of the facts influencing me to introduce my resolution that in my judgment under special and exclusive legislation the Electric Boat Company and its predecessor have already received from the United States an excessive profit of more than $1,000,000 for the construction of its submarines" (page 32).

He subsequently testified that he voted for the submarine appropriation of $1,000,000, provided for in the naval appropriation act of 1906, and for the provision in the act of 1907 increasing the appropriation of 1906 from $1,000,000 to $3,000,000 (page 1357).

While he was on the stand several times during the course of the hearings, he nowhere explains the reasons that prompted him to vote in favor of the two bills providing for submarine appropriations during his service on that committee prior to the bill of this year, though he is persistent in his contention that he is and always has been opposed to submarines; and thus by his vote cast against his judgment he contributed to this "excessive profit" and assisted in the enactment of this "special and exclusive legislation." We therefore have to look for the reasons from some other source. Before quoting the words of the witness who testified as to Mr. Lilley's reasons for voting for these provisions, it may be proper to obtain Mr. Lilley's opinion of the witness as well as the witness's opinion of Mr. Lilley. When being examined by the Committee on Rules on his original resolution, Mr. Lilley testified with regards to Mr. Franklin A. Taylor, of Waterbury, Conn., as follows:

"In the last Congress a large manufacturer from my town, an intimate friend, a man who would probably have as much influence with me as any man in my State, told me that he had the promise of a large order if I would vote for submarines" (page 7).

At a subsequent time appears from Mr. Lilley's testimony:

"Q. You have known Mr. Taylor fairly well for some time?

"A. Yes, sir.

"Q. He is a man of standing in your community?

"A. Yes, sir.

"Q. He is a man whose reputation for proven veracity is good in your community.

"A. I think so" (page 1337).

Mr. Taylor testified that he supported Mr. Lilley in a political way in his various candidacies for office in Connecticut and that he is supporting him at this time (pages 474 and 477).

Later on in his testimony Mr. Taylor says:

"I told him (Associated Press reporter) I had been friendly with Mr. Lilley, and our relations had been most cordial, and that I had no doubt that the 'prominent manufacturer' which he named before the Rules Committee—that I was the man whom he referred to—and for that reason I did feel that I had influenced Mr. Lilley to vote for a submarine boat, and I had very good reason for feeling so, because when he came home after the committee had voted he said to me: 'I voted "yes," Franklin, and your face was in front of me when I voted.' So I felt I had influenced Mr. Lilley, and I had nothing to be ashamed of in it" (page 481).

Mr. Taylor, continuing his testimony, sums up his whole argument with Mr. Lilley in behalf of his vote for submarines by reciting the fact that a great many manufacturers in Connecticut were interested in securing subcontracts for furnishings to the contractors engaged in building submarine boats for the Navy Department. He asserts that Mr. Lilley had always been opposed to submarines from the beginning of his service on the Naval Committee (pages 482–483).

At a subsequent part of Mr. Lilley's testimony he testified that he had heard the testimony of Mr. Taylor and had listened very closely to him while he was testifying. He confirms Mr. Taylor's testimony with reference to his vote and admits that he had knowledge of the fact that Mr. Taylor was interested in his own behalf in securing his vote in behalf of submarines (page 1554).

He says that Mr. Taylor's conduct toward him with regard to obtaining his vote in behalf of submarines was not corrupt (page 1338); that it was not wrongful, and that he makes no complaint against the conduct of Mr. Taylor in approaching him on the subject (page 1570). Nowhere in the testimony is there to be found any other explanation of the vote of Mr. Lilley in 1906 and 1907 except in the testimony of Mr. Taylor, and at no time while Mr. Lilley was on the stand did he undertake to explain anything about the singular situation in which he found himself by his declaration of opposition to appropriations for submarine boats and his affirmative vote upon these appropriations. Mr. Taylor's standing in the community in which both he and Mr. Lilley live, his prominence as a business man in that community, the good character given him by Mr. Lilley as a

man of standing and as a personal friend, must inevitably force the conclusion that he has given the true reasons for Mr. Lilley's vote on the question of submarines. It is difficult to reconcile the declarations with the acts of Mr. Lilley. Indeed, they can only be reconciled by considering the recklessness with which he makes all charges that are calculated to prove the particular thing he desires to prove at the particular moment. Or perhaps it can be reconciled through that convenience of his memory which will not permit him to remember anything not in keeping with the particular thing he desires to prove. After the naval bill of 1907 had been passed with the provision for competition between boats owned by parties desirous of securing contracts under the $3,000,000 appropriation of that year, the special board and the Board on Construction of the Navy Department having unanimously decided in favor of the boat of the Electric Boat Company and against the boat of the Lake Torpedo Boat Company, and while the Secretary of the Navy was about to award a contract for eight submarine boats to the winner in the contest, the Electric Boat Company, Senator Thurston, the attorney of the Lake Torpedo Boat Company, wrote the Secretary of the Navy, on June 29, 1907, requesting that the question of his discretion to award contracts to other than the winner in the test be referred to the Attorney-General (page 1050).

The Secretary of the Navy having referred the question of his discretion under the act, to the Attorney-General, the Attorney-General decided that he had the discretion to do what the Lake Torpedo Boat Company sought to obtain from him; that is, to give it a contract under the act of 1907. This decision of the Attorney-General was rendered on the 30th of July, 1907. Shortly thereafter Neff, the Washington representative of the Lake Torpedo Boat Company, arming himself with a letter of Mr. J. C. Lake, vice-president of said company, went to Bridgeport, Conn., to see Mr. Lilley. Not finding him there and ascertaining that he would be in Waterbury, he immediately went from Bridgeport to Waterbury and there met Mr. Lilley at his hotel. The letter of Mr. Lake solicited the support of Mr. Lilley towards securing a contract with the Navy Department for his company (page 1310). But Neff did not find it necessary to deliver the letter; he simply informed Mr. Lilley of the purpose of his visit and explained to him the situation at the Navy Department growing out of the decision of the Attorney-General (page 1311).

Neff, after discussing the matter with Mr. Lilley at Waterbury, wrote the following telegram:

"WATERBURY, CONN., *August 10, 1907.*

"Hon. VICTOR H. METCALF:

"Your favorable consideration interests my constituents Lake Company solicited. See letter."

Mr. Lilley signed this telegram and the telegram was immediately sent to the Secretary (page 1503).

The following morning Mr. Lilley wrote his first letter to Secretary Metcalf, heretofore quoted.

A copy of this letter was sent to the Secretary of the Navy at the Department and another copy was sent to the Secretary at Fouts Springs, Cal., and a third copy was handed over to Neff, so that

he might have evidence of the result of his efforts with Mr. Lilley (page 1503).

On the 23d of September, 1907, Mr. Lilley's second letter was sent to the Secretary, as heretofore quoted.

It is thus seen that Mr. Lilley, having voted for both submarine propositions in the sessions of 1906 and 1907 at the solicitation of his friend, Mr. Franklin A. Taylor, having subscribed by his vote to the provision for the competitive test as provided in the Act of 1907, no sooner had the opinion of the Attorney-General been given than he shifted his position from a supporter of the provision in the interest of his friend Mr. Taylor to that of becoming very active in behalf of annulling, so far as he could, the action of Congress, and in securing for his constituent, the Lake Torpedo Boat Company, part of the contract for the construction of submarine boats. It is a singular coincidence that while he was reported in the newspapers as charging the members of the Naval Affairs Committee of the House with being "traveling salesmen" for the Electric Boat Company that he alone, of all members of that committee, appears as "soliciting" a contract, and that contract in the interest of the Lake Torpedo Boat Company.

On February 10, 1908, we find him voting for the provision appropriating $3,500,000 (p. 423), providing for the construction of additional submarine boats, so that protesting all of the time that he is not in favor of submarine boats, declaring that they are worth very little as a weapon of defense, charging that "excessive profits" have heretofore been made and "excessive profit" will hereafter be made. We find him on all occasions supporting every proposition in the Naval Committee in behalf of appropriations for the construction of submarines for the Navy. Mr. Lilley has at no time while a witness before the Select Committee explained how he came to shift from his support, at the request of Mr. Taylor, of the Electric Boat Company to the support at the Navy Department of the Lake Torpedo Boat Company. We are driven to seek the reason for his change of heart from his conduct and his acts as they appear in the testimony. That he did shift his position is beyond question.

Mr. Robert G. Skerrett had been in the employ of the Lake Torpedo Boat Company until January of 1904, working for that company first for $75 a week and expenses, and later at a salary of $5,000 a year (page 817).

Mr. Simon Lake, the president of the Lake Torpedo Boat Company, was in Europe and returned to the United States about the middle of December, 1907 (page 1059). Upon his arrival in New York he visited Mr. Skerrett (page 823).

Fred Brown Whitney, who had been secretary of the Naval Affairs Committee of the House, left his position in 1904 to become the second vice-president of the Lake Torpedo Boat Company, and remained in that position until May 19, 1906. In December of 1906 he was employed by Mr. Simon Lake to go to Europe, "but his employment was not on the part of the Lake Torpedo Boat Company, but he was employed to look after matters for Mr. Simon Lake in connection with his submarine construction and other independent affairs in Europe, and that the submarine construction referred to has nothing whatever to do with submarine boats. He returned to the United

States with Mr. Simon Lake in December of 1907. He is now the vice-president of the Lake Submarine Company, in which Mr. Simon Lake owns a controlling interest; that soon after his return to the United States in December, 1907, he reoccupied his own office in the Munsey Building in the city of Washington, but having no typewriter in his office he did, from time to time, and for his own convenience and by the courtesy of A. R. Neff, go to the office of the Lake Torpedo Boat Company in the Colorado Building in the city of Washington to use one of the typewriters therein in the prosecution of his own work; he naturally took a deep personal interest in the efforts being made by the Lake Torpedo Boat Company and by Mr. Simon Lake to secure from the Navy Department a contract for the construction of a submarine" (page 1782).

These facts must be kept in mind in order to properly understand the movements of Mr. Lilley and the officers and former employees of the Lake Torpedo Boat Company, starting from the day on which the Naval Committee voted on the question of submarines, February 10, 1908.

Benjamin Webster, Mr. Lilley's secretary, says he was instructed by Mr. Lilley to draw up his resolution No. 255 on the 12th of February, 1908, or two days after the vote on submarines had been taken in the Naval Affairs Committee (page 1774). Mr. Lilley confirms the testimony of his secretary and says that immediately after giving the instructions to draw up the resolution he left Washington on his way to Connecticut and stopped in New York on business (pages 1363 and 1364). The vote was taken in the Naval Committee on February 10, 1908. Immediately upon the adjournment of the committee, Mr. Lilley and Neff met in the Marble Room of the Capitol and talked over the vote that had been taken in the committee on the question of submarine appropriation, and Mr. Lilley remarked to Neff: "Our proposition lost out." That seems to be the beginning of great activity on the part of both Mr. Lilley and the officers of the Lake Torpedo Boat Company, including the two former employees, Whitney and Mr. Skerrett (page 1498).

Mr. Simon Lake had come to Washington, and he says: "I had to see Mr. Lilley in Washington, as he was a member of the Naval Committee * * * and I found he had gone to Connecticut. I tried to reach him at Waterbury, but he was busy and I was not able to see him. He stated he would be up in New Haven the following day." He had a conversation with Mr. Lilley on the subject of the provision in the naval bill of 1908 (page 1061). Mr. Lilley introduced his resolution of investigation February 20, 1908.

Now let us review the activity of Messrs. Simon Lake, Skerrett, Whitney, Neff, Thurston, Webster, and Lilley between these dates—February 10 and 20. Whitney, at about the same time that Mr. Lilley was instructing his secretary to draw up his resolution, wrote the anonymous letter to Mr. Carmichael of the Detroit Free Press and mailed it on that day. On the next day he wrote the statement to a representative of a New York daily paper, containing three or more typewritten sheets, and among other things containing the figures $1,476,296.60. On the 15th of February he wrote the Edinborough anonymous letter and mailed it to Senator Frank Edinborough, Bay City, Mich., on the same day. This anonymous letter also contained

the figures $1,476,296.60. All three of these communications were written by him on the Smith-Premier typewriter and on the L. C. Smith typewriter, both typewriters being in the office of the Lake Torpedo Boat Company (page 1783).

Neff says: "I think I hunted and looked him up (Mr. Lilley) after the Naval Committee had adjourned and asked him about the action of the committee. He told me that the matter had failed and said they had a pretty hot struggle in there, and said it was an executive session, and I did not discuss it any more with him. * * * Senator Thurston and I got together and we prepared to fight on the floor of the House, and we had the whole thing prepared, and we were to fight on the floor of the House for open competition on the fact that it was for the best interest of the United States Government to foster competition, and we were the competing company to bid for the business, and we felt confident that Congress would give us that opportunity; and my time after that was principally with Senator Thurston" (page 1201).

Mr. Simon Lake, who had gone from Washington to Connecticut, to see Mr. Lilley, telephones Mr. Skerrett, a former employee of his company in New York, and secures from him the printing of a series of ten postal cards, advertising his boats, and on the same day that Mr. Lilley introduced his resolution in the House, February 20, 1908, the first of that series of postal cards is mailed to every Member of Congress in Washington and to the representatives of the various newspapers in Washington. On the next day, February 21, 1908, the second number of that series was mailed to Representatives in Congress and newspaper correspondents at Washington (page 836). On that day appeared Mr. Lilley's authorized interview in the Washington Post.

Mr. Skerrett obtained the names of Members of Congress and newspaper correspondents from the Congressional Directory (page 837). These postal cards, while intended to advertise the Lake boat, were not signed by anyone, and condemned the Holland boat. After the mailing of the second lot of the series, the balance of the cards printed were shipped to Mr. Simon Lake at Bridgeport and the sending of them was discontinued.

Mr. Simon Lake testifies: "And I immediately came down and made provision to start a propaganda of my own to see if I could not educate the Members of Congress up to a point of recognizing the merit of the Lake type of boat. First we sent out a number of catalogues that I had prepared—I presume all you gentlemen have received them—called 'Submarine Torpedo Boats.' I think the next thing was these postal cards" (pages 1062–1064).

While these things were going on Mr. Lilley met Representative Bates, of Pennsylvania, in the House restaurant at lunch time and showed him his resolution of investigation and said to Mr. Bates: "See what I am going to introduce in the House." And a day or two after the resolution was introduced he was walking with Mr. Bates in the corridor of the Capitol from the Naval Committee room of the House and was complaining of the provision in the appropriation bill with regard to submarine boats, and he remarked: "Of course, if the committee sees fit to change it before the bill comes up in the House, then I will withdraw my resolution" (page 1724).

Mr. Lilley also saw Mr. Sherman, of New York, in the Republican cloakroom and showed him his resolution. He told Mr. Sherman in substance that "such a resolution would stir up a muss", to which Mr. Sherman assented and he said, in substance, "if the action of the committee could be moved so that the competition for submarine boats would be open to other competitors that he would not introduce the resolution," and he asked Mr. Sherman to see the other members of the Naval Committee that he might possibly induce them to change their action. This Mr. Sherman refused to do, saying "that the Naval Committee was supposedly conversant with the whole subject," and that he was not. and that he did not propose to approach them on a matter about which they knew more than he did (page 1725).

While on the witness stand before the Select Committee Mr. Lilley admitted, in answer to questions propounded to him by the chairman of the committee, that he would not have introduced his resolution if the naval bill of this year had contained a proposition for a full, free, and open competition which met with Mr. Lilley's approval (pages 1624 and 1625).

What was the object of the "propaganda" being conducted by Whitney through his anonymous communications to New York newspapers; through his anonymous letters to Senator Edinborough, and through anonymous communications to Mr. Carmichael, a newspaper correspondent?

By Neff, acting in concert with and under the advice of Senator Thurston, Washington attorney for the Lake Torpedo Boat Company, through his plans to have the submarine appropriation controversy transferred from the Committee on Naval Affairs to the floor of the House.

By Mr. Skerrett, apparently the press agent of the "propaganda," through the publication of post cards and their distribution to Members of Congress and to press representatives; through magazine articles in the Scientific American, Harper's Weekly, etc.

By Mr. Simon Lake, through post cards ordered through Mr. Skerrett, and through elaborate circulars issued by him treating of his submarine boats, which circulars were sent to Members of Congress.

By Mr. Lilley holding back his resolution to investigate the Electric Boat Company, through his representations to Mr. Bates, of the Naval Affairs Committee of the House, and to Mr. Sherman, a member of the Committee on Rules.

Now, how explain the apparent concert of action between Mr. Simon Lake, Neff, and Senator Thurston, the most active officials of the Lake Torpedo Boat Company; Skerrett and Whitney, former employees of the said company, and Mr. Lilley?

The letter of Senator Thurston, attorney for the Lake Torpedo Boat Company, of date February 6, 1908, addressed to the Committee on Naval Affairs, in its concluding sentence, indicates:

"For these reasons, and others which we are prepared to present, we ask for a fair field and no favor—the same opportunity, if necessary, at our own risk, to compete for the construction of submarines. I once more respectfully request that an opportunity may be given us to be heard" (page 1054).

The Senator calls it "fair field and no favor:" the others engaging in the "propaganda" call it "open competition."

Now we are quite clear as to the interpretation of "fair field and no favor" and of "open competition" placed by these gentlemen on the submarine appropriation of the naval appropriation acts of 1906 and 1907. There a test was provided for. A contest was had. The Electric Boat Company won out in "open competition" with a "fair field and no favor," and yet all of the "propagandists" contended that they were entitled, although losers in the contest, to one-half of the appropriation, or at least to a contract for one boat, and had actually secured a contract out of that appropriation. That was their interpretation of "a fair field and no favor" and "open competition."

Mr. Lilley on the night of the same day that his resolution, No. 255, was introduced in the House (February 20), gave an interview to the Washington Post, published the next day, February 21. This interview was declared by Mr. Lilley to be the only authorized interview of the many published in different parts of the country as coming from him. In testifying as to the correctness of this report before the Committee on Rules of the House, he says:

"I am in favor of a square deal, and my resolution aims to bring that about" (page 12).

Mr. Skerrett, in both his article appearing in Harper's Weekly and the one appearing in Scientific American, takes the position that the action of the committee has been to substitute eight submarines for two battle ships, in other words that the Navy Department recommended four battle ships and four submarines, and that the committee reduced the number of battle ships by one-half and increased the submarines twofold, making two battle ships and eight submarines instead of four of each (pages 497, 802, 804, 819).

Mr. Lilley in his interview in the Washington Post, says: "The proposal of a Congressional investigation is an outgrowth of the refusal of the Naval Affairs Committee to follow the President's naval construction programme. The President personally backed the Navy Department in its request for authorization of the construction of four battle ships, ten torpedo-boat destroyers, four submarines, etc. The committee cut the battle ships to two and raised the submarines to eight (page 11).

"I point to the fact that the four battle ships recommended by the President were cut to two by the committee. Secretary of the Navy's plans for improved submarines was voted down. Instead, double the quantity asked for by the Government—8 in number—were provided, but they are to be of the old *Octopus* type" (page 11). Whitney, the personal attorney of Mr. Simon Lake, in his newspaper anonymous articles, makes the same charge. So that it will be seen that Mr. Skerrett, the former employee of the Lake Torpedo Boat Company, in his magazine articles, Whitney in his newspaper articles, and Mr. Lilley in his authorized interview in the Washington Post the night of the day he introduced his resolution, were all seeking to impress the country with the fact that there had been a substitution of submarines for battle ships, this despite the fact that not one of them was acquainted with the others, though all three were in touch with Mr. Simon Lake. They all seem to be acting with a common purpose, resting their position on identical grounds, and that is the more remarkable since what really occurred in the

committee did not warrant any such conclusion. Mr. Foss, chairman of the Naval Affairs Committee:

"Was there, or was there not, any connection, so far as the discussion and action of the committee was concerned, between the battle ship proposition and the submarine proposition?

"A. From my knowledge and observation there was absolutely none.

"I was present at every meeting.

"I heard all the discussion.

"I noted the votes" (page 1634).

Mr. Ellis, a member of the committee, says:

"Did the vote upon the battle ship proposition depend in any way upon the vote on the submarine proposition?

"A. Not with me and no one else that I know of.

"Q. Was there any statement made or argument made that the four battle ship proposition should be divided in order to secure more submarines?

"A. Oh, no; I never heard of any such a thing, not to my knowledge; certainly not in the open committee in hearings during any time I was present" (page 1630).

Mr. Bates, another member of the committee:

"Will you state whether or not at that time or in any of the discussions of the committee the question of battle ships and the question of submarines were discussed together, so that one depended in any way upon the other?

"A. Absolutely not, not in my mind and so far as one man can know the mind of another, they did not have the slightest relation to each other in the consideration of the committee as a committee. They did not have the slightest relation to each other in the matter of determining how many we would recommend in the bill of one and how many we would recommend of the other. They came up at different hours. The battle ship proposition was brought up on one day, and on account of the extended remarks of Brother Hobson on the subject, he had some remarks to make on the subject, and we adjourned over to another meeting, so that that was pending from one time to another. The submarine question came up on a succeeding day, after we had voted on battle ships, and had no connection, so far as I am able to know the mind of another. I do not think it had in the mind of a single member of the committee. The fact of voting for a certain number of one vessel did not depend on the number of another.

"During the discussion of the number of battle ships no submarines were referred to in any manner, shape, or form. It was not thought of. I will say further, if you will allow me, that there were three things before the committee in making up the number of submarines we ordered. One was the power or recommendation of the Secretary and President, and the other was information that had come before the committee a few days before from the Secretary of the Navy that they had decided to send two submarines to Manila. The other was a letter from the Secretary of the Navy a few days before that, I think dated January 31, to the Senate in response to a resolution of inquiry of Senator Ankeny, of Washington, directing that an appropriation be made for the construction of boats for special use on the Washington coast and Puget Sound. These three

things were in the minds of the committee in arriving at the number of eight as over four which had been recommended last November in the Secretary's annual report" (pages 1724 and 1725).

Mr. Padgett, another member of the committee:

"The battle ship proposition was disposed of before we reached submarines.

"Q. Your vote then for the battle ships in that bill had no relation whatever to submarines?

"A. None, whatever" (page 1727).

It is thus seen that both Mr. Skerrett in his solicitude in the interest of the Lake Company was advertising through magazine articles an absolutely false and misleading statement with regard to the manner in which the question of submarines and battle ships had been disposed of in the committee. It is also seen that Mr. Lilley, who was present and had full knowledge of the falsity of that position, was occupying the same attitude towards the committee and giving publicity to this false charge and yet, strange to say, Mr. Lilley was not acquainted with Mr. Skerrett nor Mr. Skerrett with Mr. Lilley, but both were in touch with Mr. Simon Lake. There can be no accounting for their common position, predicated upon an absolutely false premise, except it was due to the fact that each drew his inspiration from a common source. Each was advancing the Lake Torpedo Boat Company's interest without regard to the truth. Mr. Lilley himself, in the face of his Washington Post interview, which he said, when appearing before the Committee on Rules, was authorized by him, admits that there was no connection between the battle ships and the submarine proposition (page 364). But this was not all of the "propaganda" that Mr. Lilley was carrying on in his efforts to further the interests of the Lake Torpedo Boat Company.

On the 27th of February, 1908, he introduced House resolution No. 264 containing the figures $1,296,476.60, and when on the stand he was asked who had drawn the resolution and he could not say. He thought that either Neff, the Lake Torpedo Boat Company's Washington agent, or Webster, his secretary, had drawn it (page 1488).

Webster was placed on the stand and he denied having drawn the resolution (page 1488). Neff was placed on the stand and he admitted having drawn the resolution on his L. C. Smith typewriter in the office of the Lake Torpedo Boat Company (page 1489). He said he had gathered the figures appearing in the document and the resolution from the New York Herald and other newspaper publications. He said he had drawn the resolution the day before it was introduced, the 26th of February (page 1490). He said it had not been drawn prior to the 23d of February (page 1492), and when his attention was called to the fact that the resolution first had been dated February 22 and that subsequently the "7" had been placed over the second figure "2" in "22" he was compelled to admit that he had drawn the resolution on or about the 20th of February, or the day on which Mr. Lilley had introduced his resolution to investigate the Electric Boat Company (page 1493).

Later on, in his testimony, he said that he had been advised by Whitney, he of the anonymous letter fame, to draw up this resolution in order to secure certain evidence which he thought he could secure from the Navy Department to assist the committee (page 1494); that he was going to get some friend of his to introduce the resolution and

committee did not warrant any such conclusion. Mr. Foss, chairman of the Naval Affairs Committee:

"Was there, or was there not, any connection, so far as the discussion and action of the committee was concerned, between the battle ship proposition and the submarine proposition?

"A. From my knowledge and observation there was absolutely none.

"I was present at every meeting.

"I heard all the discussion.

"I noted the votes" (page 1634).

Mr. Ellis, a member of the committee, says:

"Did the vote upon the battle ship proposition depend in any way upon the vote on the submarine proposition?

"A. Not with me and no one else that I know of.

"Q. Was there any statement made or argument made that the four battle ship proposition should be divided in order to secure more submarines?

"A. Oh, no; I never heard of any such a thing, not to my knowledge; certainly not in the open committee in hearings during any time I was present" (page 1630).

Mr. Bates, another member of the committee:

"Will you state whether or not at that time or in any of the discussions of the committee the question of battle ships and the question of submarines were discussed together, so that one depended in any way upon the other?

"A. Absolutely not, not in my mind and so far as one man can know the mind of another, they did not have the slightest relation to each other in the consideration of the committee as a committee. They did not have the slightest relation to each other in the matter of determining how many we would recommend in the bill of one and how many we would recommend of the other. They came up at different hours. The battle ship proposition was brought up on one day, and on account of the extended remarks of Brother Hobson on the subject, he had some remarks to make on the subject, and we adjourned over to another meeting, so that that was pending from one time to another. The submarine question came up on a succeeding day, after we had voted on battle ships, and had no connection, so far as I am able to know the mind of another. I do not think it had in the mind of a single member of the committee. The fact of voting for a certain number of one vessel did not depend on the number of another.

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at first did not think of Mr. Lilley; that Whitney had called his attention to the figures appearing in the resolution, $1,476,296.60 (page 1495). Mr. Lilley, after hearing the testimony of Neff in regard his resolution No. 264, and as to the time when it was drawn, admitted the correctness of that testimony (page 1499).

He at first claimed to have introduced the resolution by request and then admitted he had introduced it on his responsibility as a Member (page 1500). He finally admitted that he had introduced the resolution without ever having read it. The figures which had been prepared by Whitney and embodied in his memorandum to the New York paper, included in his anonymous letter to Edinborough, were included in Mr. Lilley's resolution, No. 264. And yet the resolution itself was written on the same day on which Mr. Lilley introduced his resolution of investigation, and singular to say, Whitney did not know Mr. Lilley, nor did Mr. Lilley know Whitney, but both were in touch with Mr. Simon Lake.

Webster, Mr. Lilley's secretary, wrote a forged letter to Edinborough, signing thereto the name of "Smith," the same person to whom Whitney had written the anonymous letter of February 15. He says he can not fix the date of the letter, but he said it was some time in March (page 1530). Neither Webster nor Mr. Lilley are acquainted with Edinborough, and yet we find Mr. Lilley's secretary writing the same person that Whitney had written to and in behalf of the same subject. Strange to say Mr. Lilley nor Webster knew Edinborough nor Whitney, nor did these know Mr. Lilley nor Webster, but they all were in touch with Neff. The contents of the letter are not made known to us. Mr. Lilley claimed that he got the initials and address of Edinborough from a newspaper man whom he calls "Mr. Cameron." When Mr. Cameron is brought before the committee and contradicts this statement, Mr. Lilley says that he is not the newspaper man who furnished him the information; then, that he can not recollect the name of the newspaper man he has in mind, though he states the newspaper man frequently came to his office, and he admits that Mr. Cameron was never in his office (pages 1529, 1530).

Edinborough was summoned before the committee. Immediately on his arrival at Washington he makes an appointment by telephone to meet Mr. Lilley at his hotel (page 708). He called at Mr. Lilley's hotel, produced the forged letter of Webster, signed with the name "Smith;" Mr. Lilley recognizes the "Smith" letter at once as being written by his secretary, Webster. Edinborough leaves the letter with Mr. Lilley, and Mr. Lilley destroys the letter (page 1581). And yet Edinborough, placed on the stand the next day after his interview with Mr. Lilley, testifies that he has received no communication on the subject of the investigation from Washington except the one on the postal telegraph blank written him by Whitney (page 709).

Mr. Lilley testified that he did not know Neff.

"Q. Who was the man who asked you to submit the motion in committee?

"A. He is a representative of the company here. I think his name is Neff or Neth.

"Q. Does he live in the city?

"A. I think he lives in Pennsylvania. My impression is that he comes from Mr. Bates's district. I think he used to be Mr. Bates's secretary" (page 39).

Again:

"Q. Can you give us the name and address of Neff; you know how he spells his name?

"A. It is either N-e-f-f or N-e-t-h. I don't know where he lives or what his initials are. I can tell you who would know. Congressman Bates would know; he was formerly his secretary, I believe" (page 61).

And yet Mr. Lilley first met Neff as early as January, 1907, at Bridgeport, Conn. Neff took Mr. Lilley down in the Lake boat at that time (page 1197). He had seen Mr. Lilley and spoken to him on February 3 or 4 of this year. He had walked with Mr. Lilley through the Capitol and had spoken to him of the Sperry bill for an appropriation of $3,000,000 for submarines (page 1180). He had had a conference a few days after his first interview with Mr. Lilley with reference to securing Mr. Lilley's introduction of an amendment to the naval appropriation bill of this year carrying the provisions of the Sperry bill (page 1182). He had spoken to him over the telephone from Bridgeport and afterwards met him at his hotel at Waterbury and had written and secured the signature of Mr. Lilley to the telegram sent the Secretary of the Navy, and he had again met him the next day and had secured the writing of the letters to the Secretary of the Navy, copy of which he took along with him (page 1199). He had met him the afternoon of the day of the vote on the submarine proposition in the committee, February 10, 1908, at which time Mr. Lilley had told him "Our proposition has lost out" (page 1199). He had met him at the Willard Hotel on the night of the 20th, the night of the day on which Mr. Lilley introduced his resolution of investigation, and suggested that Senator Thurston, attorney for the Lake Company, was willing to advise Mr. Lilley (page 1201). He had written the statement dictated by Senator Thurston and presented by Mr. Lilley to the Committee on Rules on the day of the hearing on that resolution. He had typewritten dictations from Senator Thurston of the statement which Mr. Lilley had furnished to the select committee (page 1156). He had advised with him three or four times a week from the time Mr. Lilley introduced his resolution of investigation.

Senator Thurston and Neff had written the questions propounded by Mr. Lilley, signed by him and submitted to this committee to be asked witnesses on the stand (page 1186, etc.). Neff and Senator Thurston had prepared the subpœnæ duces tecum which Mr. Lilley had prayed for (page 1309). Senator Thurston had dictated and Neff had prepared statement furnished by Mr. Lilley to the Committee on Rules and to the select committee (page 1202, etc.). Senator Thurston had dictated and Neff had prepared letter of Mr. Lilley, dated March 19, 1908 (pages 350, etc., 1421).

And Mr. Lilley admitted that these statements had been prepared by Senator Thurston and Neff (pages 1575, 1576).

In fact, Mr. Lilley was continually in touch with this representative of the Lake Torpedo Boat Company, and with that usual lack of frankness which is characteristic of all his evidence before both

the Committee on Rules and the select committee, he not only pretended not to know anyone connected with the Lake Torpedo Boat Company, but sought to make it appear that his colleague, Mr. Bates, of the Naval Committee, could furnish the information as to Neff, whose name he pretended not to know even how to spell.

Fred Brown Whitney swears that he had reasons to believe at the time that he sent his anonymous communications, to wit, February 12, 13, and 15, that a resolution would be introduced in the House to investigate the Electric Boat Company; that he believes he sent certain documents, containing the figures $1,476,296.60, to Mr. Lilley (page 1784). We thus see a common purpose in acts of Messrs. Whitney, Neff, Thurston, Simon Lake, and Skerrett, and Mr. Lilley's acts. We see the same plans maturing at the same time in the two camps, supposedly neither having knowledge of the existence of the other. We see continual conferences, legal advices, clerical work, exchange of figures, resolutions, magazine articles and newspaper interviews, all predicated upon the same statements, and wherever a statement is false as emanating from one camp the same falsity appears as emanating from the other camp. Whitney says that Mr. Lilley had voted against the Lake Torpedo Boat Company prior to 1908 (page 1784). He says that he had reasons to believe that the resolution would be introduced at the time he was writing the anonymous letters, the first of which was written only two days after the vote had been taken in the committee and on the same day that Mr. Lilley had directed his secretary to draw up his resolution of investigation.

There can be no doubt but that there was concert of action between Mr. Lilley and the officers and friends of the Lake Torpedo Boat Company; that their purpose was a common purpose; that their object was to secure legislation to further the interests of the Lake Torpedo Boat Company, despite the fact that that company had been defeated in the test which had been had between it and its competitor. But while these circumstances are sufficient to convince the impartial mind that there was concert of action, we find ample direct confirmation of the fact in the testimony and ample proof to join the efforts of Mr. Lilley with those of the company. Mr. Taylor, Mr. Lilley's personal and political friend, the man whom Mr. Lilley certifies as being a man of character and veracity, testifies that he talked with Mr. Lilley at the Elkin Hotel, Waterbury, and that Mr. Lilley told him that he wanted the Lake people to get a square deal; that he wanted the Lake people to have a fair chance (page 475). Mr. Lilley, on March 19, 1908, wrote a letter to your committee quoting the name of the Electric Boat Company and asking that "both sides" be heard. This letter was dictated by Senator Thurston, typewritten by Neff, signed and presented your committee by Mr. Lilley (page 1475).

Neff explains the purpose of this letter:

"Q. And you must have had Mr. Lilley's stationery?—A. Webster brought some over for that special purpose.

"Q. That date and those extracts from hearings before the House Naval Committee and the newspaper clippings were prepared by Mr. Webster and yourself, as I assume, and as the letter itself seems to state, for the purpose of getting before this committee the other side

of the controversy—that is, as between the two companies. The letter starts out: 'Your committee has, I confess, somewhat to my surprise, permitted witnesses—both those who could by reason of expert knowledge know some of the construction, qualities, and cost of our present submarines, and also those who could have no possible expert or other knowledge as to the construction, performances, efficiency, and cost of these submarines—to give as part of their supposed testimony glowing accounts of the remarkable qualities of the Electric Boat Company's submarines; and having thus established the precedent, and in order that the question of the cost and efficiency of these boats may be presented on both sides, I submit the following:

"Q. What did you mean by both sides?—A. Well, it looked as if they were making out our boats as not worth anything and that our side ought to be in there just as well as the other side. I wanted to show the cost of our boats, and also show that the prices for those boats were not in accord with the performances of their boats.

"Q. What you meant in that letter when you said 'both sides' had reference to the Lake Torpedo Boat Company on the one side and the Electric Boat Company on the other, and you thought they both ought to be in it?—A. Yes, sir.

"Q. And that is the reason of that letter and the data?—A. Yes, sir" (page 1497).

The testimony of Mr. Taylor, the letter of Mr. Lilley, and Neff's explanation of Mr. Lilley's letter are as conclusive as can be that Mr. Lilley was at all times acting in behalf of the Lake Torpedo Boat Company, and that his sole purpose was to secure such action regardless of the merits of the boats, regardless of any contest heretofore had between the Lake boats and the Electric boats, to wit, recognition in the matter of contracts for the Lake torpedo boats.

THE ANONYMOUS ATTACKS UPON REPRESENTATIVE LOUD.

Representative Loud's name was brought into this investigation by Mr. Lilley in his first day's testimony. His suspicions of Mr. Loud were indicated in the Washington Post article. He said that Mr. W. D. Gordon, an attorney living in Mr. Loud's district, had been employed by the Electric Boat Company for the sole purpose of endeavoring to secure favorable action on the part of Representative Loud for such legislation as the Electric Boat Company might desire. To substantiate this statement, as Mr. Lilley said, he offered in evidence extracts from Michigan papers of February 21 and 22, 1908, with this observation, "so far as I am advised these public utterances of the press have never been questioned or denied" (page 30). A paragraph from one of these extracts reads: "The story as it is being passed about the Capitol is that a prominent lawyer of the tenth Michigan district threatened to become a candidate for Congress against Mr. Loud and that he agreed to keep out of it when Mr. Loud promised not to be hostile to the Holland submarine boat" (pages 30-31).

The same article contains this paragraph:

"Frank L. Edinborough, of Bay City, former secretary to Loud, and now a candidate against him for Congress, is suspected of

furnishing Lilley with some of the facts which he is so anxious to have brought out in the proposed investigation."

In the list of witnesses given to the committee by Mr. Lilley on March 9, Edinborough's name appeared, with no suggestion as to who he was or what the nature of his evidence would be. He took the stand on April 2. It then appeared that he was formerly Mr. Loud's secretary, and that he decided last January to be a candidate against Mr. Loud for the nomination for Congress.

Edinborough's testimony is conspicuous for three things: Its lack of frankness, treachery to his old friend and employer, and one distinct, willful act of perjury. When Edinborough reached Washington on April 1 he brought with him two documents which he had received by mail from Washington—one an anonymous letter attacking Mr. Loud, the other a forged letter written by Benjamin Webster, Mr. Lilley's secretary. Webster had written the letter to Edinborough in the name of "Smith" asking for information that would help Mr. Lilley in proving his charges against Mr. Loud. Webster gave his own boarding house as the address to which he wished Edinborough to send a reply to Mr. Smith. When Edinborough reached Washington he arranged by telephone to call on Mr. Lilley in the evening. At that interview he showed Mr. Lilley the forged letter, which Mr. Lilley recognized. Edinborough left the letter with Mr. Lilley, and the latter destroyed it, so that it could not be produced in evidence when called for. The next morning Edinborough swore (p. 709) that he had received no communication of any kind from Washington bearing upon this investigation except the anonymous letter and some newspaper clippings.

This committee can not decide which was the most despicable act, Webster's, in writing the forged letter, Mr. Lilley's, in destroying it, or Edinborough's, in swearing that he had never received it.

During this testimony Edinborough referred to an anonymous letter, which he delivered to the committtee with apparent reluctance. It was written in type, on a Postal telegraph blank, and inclosed in an envelope directed to Senator Frank Edinborough, in type, and post marked Washington, February 15. He received it on the 17th:

"Loud voted for this $1,476,296.60 graft in the Naval Committee. There is a story in circulation that the Holland people got a prominent attorney to become a candidate against Loud last time; that Loud finally agreed to vote for the submarines upon deal that the attorney withdraw—that the attorney withdrew.

"Subscribe for New York Herald and Washington Post.

"Loud can be defeated on this proposition alone by you.

"Watch Congressional Record.

"Have your local papers play up proposition.

"Have them write Loud for explanation and whether the withdrawal story is true."

This communication had for the committee a much greater significance than would attach to a mere vulgar, cowardly attack upon a public man. Though written five days before the Lilley resolution was introduced, it hinted plainly at an investigation. It also contained the mysterious figures $1,476,296.60 which appeared in the public press the same day it was posted. As these were also the same figures that were used in the resolution (H. Res. 264) introduced

by Mr. Lilley on February 27, a week after he introduced his resolution for an investigation, it was clear that Mr. Lilley and Edinborough derived their inspiration from a common source. To discover the author of this anonymous communication was therefore to discover the person who had deceived the public and Mr. Lilley with fictitious figures of alleged excessive profits on the submarines sold to the United States, as well as to unmask the secret enemy who had attacked the honor and good name of Representative Loud.

On April 3 Mr. Jesse L. Carmichael appeared before the committee and testified that he had received on February 13, 1908, an anonymous typewritten letter mailed at Washington the preceding day, of similar import to the one sent to Edinborough. It is as follows:

"A Congressman does not want to get what happened to Lessler. Here is a big story tip for what it is worth.

"The submarine people brought out a candidate—a prominent lawyer—against Loud. He withdrew upon agreement of Loud to vote for submarines.

"Frank Edinborough, Michigan State senator, former secretary to Loud, knows details."

It seemed to the committee on closely inspecting these two anonymous communications that they were written on the same machine and composed by the same person. One member of the committee, on comparing those letters with numerous communications addressed to the committee over Mr. Lilley's signature, was impressed by certain similarities in type and style of composition that characterized both sets of documents. The committee then submitted the letters and the typewritten communications which they had received to Mr. David N. Carvalho, of New York, an expert on questioned documents. After a thorough comparison he decided that the two letters and four pages of questions submitted to the committee and signed by Mr. Lilley were all written on the same Smith-Premier typewriter. In this opinion he was confirmed by Mr. William J. Kinsley, of New York, and Mr. Albert S. Osborn, of Rochester, N. Y. It had previously been admitted by Senator Thurston and Neff that the questions signed by Mr. Lilley were dictated by Mr. Thurston and written by Neff on the Smith-Premier typewriter in the office of the Lake Torpedo Boat Company in the Colorado Building. A few days after the conclusion of the experts' testimony the official stenographer of this committee made, in the presence of Neff, copies of the anonymous letters on the same paper as the originals, on the typewriter on which the Lilley questions had been written.

The next day on the stand Neff conceded that no one could deny that the letters and questions were written on his machine. Suspicion of course rested upon all who used this machine as well as those who dictated to those who used it, including Mr. Simon Lake, Mr. J. C. Lake, Senator Thurston, Neff, Whitney, and Webster, who had been helping Neff write out the questions for Mr. Lilley, and Mr. Lilley himself. All doubt as to the correctness of the experts' conclusion was removed when Senator Thurston produced before the committee the affidavit of F. B. Whitney, in which he confesses that he wrote the letters attacking Representative Loud, and furnished the fictitious figures to the press that were used by Neff and Mr. Lilley.

It is characteristic of Mr. Lilley's attitude toward the House and his colleagues through all these proceedings that when he learned his suspicions of Representative Loud were groundless and were created by the secret attacks of an unscrupulous schemer, he has never up to the present time expressed his gratification at the removal of the cloud which hung over his colleague, or made to him any apology, or given any expression or manifestation of regret that he should have made an unwarranted attack upon the honor and good name of his fellow-Member.

As the affidavit of Whitney throws light on several subjects involved in this investigation, it is given in full:

"CITY OF WASHINGTON,
"*District of Columbia, U. S. A., ss:*

"Fred Brown Whitney, being duly sworn, deposes and says: That he is 34 years of age; that he is an attorney at law, a member of the bar of the State of Illinois, of the District of Columbia, and of the United States Supreme Court; that from about 1901 to early in 1904 he was clerk of the Committee on Naval Affairs of the House of Representatives; that shortly thereafter he became second vice-president of the Lake Torpedo Boat Company, of which Mr. Simon Lake was and still is the president, which position he retained until May 19, 1906, when he resigned and left the employ of said company, and has not been connected with or in the employ of said company since; that in December, 1906, he was employed by Mr. Simon Lake to go with him to Europe, but his employment was not on the part of the Lake Torpedo Boat Company, but he was employed to look after matters for Mr. Simon Lake in connection with his submarine construction and other independent affairs in Europe, and that the submarine construction referred to has nothing whatsoever to do with submarine boats; that afterwards he made one trip to the United States, and, returning to Europe, remained there until he arrived in New York with Mr. Simon Lake in the latter part of December, 1907; that he is the vice-president of the Lake Submarine Company, in which Mr. Simon Lake owns a controlling interest, which is an entirely independent company, not engaged in submarine torpedo-boat construction, but was organized to engage in commercial and other enterprises connected with matters other than submarine torpedo construction; that soon after his return to the United States in December, 1907, he reoccupied his own office in the Munsey Building, in the city of Washington, but, having no typewriter in his office, he did from time to time and for his own convenience, and by the courtesy of A. R. Neff, go to the office of the Lake Torpedo Boat Company, in the Colorado Building, in the city of Washington, to use one of the typewriters therein in the prosecution of his own work.

"That having been associated in an official way with the Lake Torpedo Boat Company, and then being associated with Mr. Simon Lake in the business affairs of the Lake Submarine Company, he naturally took a deep personal interest in the efforts being made by the Lake Torpedo Boat Company and by Mr. Simon Lake to secure from the Navy Department a contract for the construction of a submarine, and also in the efforts which he understood were being made to secure,

if possible, from Congress such legislation as would leave the disposition of any appropriation made for submarines to be expended under the discretion of the Secretary of the Navy without legislative restrictions that would prohibit the Lake Torpedo Boat Company from competing with the Electric Boat Company for submarine construction.

"That of his own initiative he undertook what appeared to him at the time to be not improper methods to have brought to the attention of Congress the methods which he had believed had been pursued by the Electric Boat Company in their endeavor to secure through Congressional action what might be termed exclusive legislation, which would shut out competition and prevent the Lake Torpedo Boat Company from competing in the United States for submarine torpedo-boat construction.

"That for the reasons last stated he did, on or about the 12th day of February, write the following undated and unsigned communication on a sheet of the New Willard Hotel note paper:

"'For Mr. CARMICHAEL:

"'A Congressman does not want to get what happened to Lessler, but here is a big story tip for what it is worth.

"'The submarine people brought out a candidate, a prominent lawyer, against Loud. He withdrew upon agreement of Loud to vote for submarines.

"'Frank Edinborough, Michigan State senator, formerly secretary to Loud, knows details.'

"That he inclosed said communication in an envelope of the New Willard Hotel stationery and directed it, in typewriting, as follows: 'Detroit Free Press, Washington, D. C.' That he mailed said communication so directed at Washington on said 12th day of February, 1908.

"That on or about the 15th day of February, 1908, deponent wrote upon a Postal Telegraph blank the following undated and unsigned communication:

"'Loud voted for this $1,476,296.60 graft, in the Naval Committee. There is a story in circulation that the Holland people got a prominent attorney to become a candidate against Loud last time; that Loud finally agreed to vote for the submarines upon deal that the attorney withdraw. The attorney withdrew.

"'Subscribe for New York Herald and Washington Post.

"'Loud can be defeated on this proposition alone by you.

"'Watch Congressional Record.

"'Have your local papers play up proposition.

"'Have them write Loud for explanation and whether the withdrawal story is true.'

"That he inclosed said communication in a blank envelope and directed it, in typewriting, as follows: 'Senator Frank Edinborough, Bay City, Mich.,' and mailed it in Washington on said 15th day of February, 1908.

"That said communications and the addresses on said envelopes were written by deponent upon the Smith-Premier typewriter in the office of the Lake Torpedo Boat Company, in room 606, in the Colorado Building, in the city of Washington.

"That on or about the 13th day of February, 1908, said deponent sent to a representative of a New York daily paper three or more

typewritten sheets, containing among other statements the following paragraphs:

"'It is our unanimous opinion that it is best to have the full quotations sent you printed, so that our friends can use naval opinions with Members as from newspaper authority.

"'Memorandum showing lack of economy in submarine at proposed cost of $1,476,296.60 more than contractor testified they were worth.

"'The committee thinks it necessary to get prominent officers' ideas and opinions before public, so that other newspapers will start editorial discussion of the problem that is far more serious than surface indications tell.'

"That said typewritten statements were prepared by deponent and were written in part upon said Smith-Premier typewriter in the office aforesaid of the said Lake Torpedo Boat Company, and in part upon the L. C. Smith typewriter in said office.

"That said deponent sent said communications and said statements to said newspapers, believing that Representative Loud had voted for an exclusive appropriation for submarines of a certain type, but that he subsequently learned that Representative Loud voted by letter for submarines without conditions, and he deeply regrets the wrong and injustice so done by him to Representative Loud, who was innocent of all suspicions entertained by deponent concerning him.

"The deponent further says that neither Mr. Simon Lake nor counsel for the Lake Torpedo Boat Company knew that he had written any of said communications and that he had been endeavoring in that way to bring out facts connected with submarine boat legislation until within a few days last past, and after the experts employed by the investigating committee of the House had testified as to the fact that the said first two communications had been written on the Smith-Premier typewriter in the said office of the Lake Torpedo Boat Company.

"Deponent says that when he sent said anonymous communications he had good reason to believe that a resolution would be introduced in the House of Representatives for an investigation of the methods of the Electric Boat Company and its predecessor, the Holland Boat Company.

"Deponent further says that he did send newspaper clippings to some members of the Naval Committee, and may have sent to Representative Lilley, before the 20th day of February, 1908; that he had sent said communications, including the figures of alleged excessive cost of submarines, to wit, $1,476,296.60, which deponent attempted to compile from the testimony of Admiral Bowles given before the Naval Committee of the House of Representatives in 1902.

"Deponent further says that he has no personal knowledge from which he could give any evidence to sustain any of the charges of Representative Lilley. I think that in the sessions of Naval Committee of 1906 Mr. Lilley voted against the Lake Boat Company.

"Deponent further says that this affidavit is made at his own suggestion and of his own free will and accord, to be used as evidence by said investigating committee and spread upon its record, and is made by said deponent solely because he is ill and unable to appear before said committee pursuant of the subpœna directed to and served upon him pursuant to the order of said committee.

"And further deponent saith not.

"Forty words interlined and forty-four words erased before signing.

"FRED BROWN WHITNEY.

"Subscribed and sworn to before me at Washington aforesaid, on the 30th day of April, 1908.

"[NOTARIAL SEAL.] WM. B. MATTHEWS, Jr.,
"*Notary Public.*

"Commission expires March 22, 1910.

"Witness to the signature of Fred Brown Whitney:

"WAYNE F. COWAN, M. D.

"CHARLES WHITNEY."

THE PRODUCTION OF BOOKS AND PAPERS.

The power of a select committee of one House of Congress to compel the testimony of witnesses and the production of books and papers can not, of course, rise higher than the authority of the House itself, and that power must be found in the Constitution, either in express terms or by necessary implication.

Neither House of Congress was constituted a part of any court of general jurisdiction, nor has it any history to which the exercise of such power can be traced. Its power must be sought alone in some express grant in the Constitution or be found necessary to carry into effect such powers as are there granted. (Kilbourn *v.* Thompson, 103 U. S., 168-169.)

The right to exercise the power in question and to punish for contempt is limited to very few cases. Each House, acting separately, is by the Constitution expressly authorized to be the judge of the elections, returns, and qualifications of its own Members, to compel their attendance, in such manner and under such penalties as it may provide, to determine the rules of its proceedings, punish its Members for disorderly behavior, and, by a two-thirds vote, to expel a Member. Each House is also vested with certain power and authority in impeachment proceedings.

After enumerating these powers, Mr. Justice Miller, delivering the unanimous opinion of the Supreme Court of the United States, in Kilbourn *v.* Thompson, *supra*, said:

Whether the power of punishment in either House by fine or imprisonment goes beyond this or not, we are sure that no person can be punished for contumacy as a witness before either House, unless his testimony is required in the matter into which that House has jurisdiction to inquire, and we feel equally sure that neither of these bodies possesses the general power of making inquiry into the private affairs of the citizen.

It having been alleged that J. Cooke & Co., debtors of the United States, were interested in a so-called "real-estate pool" in Washington, a select committee of investigation was appointed, and later a subpœnæ duces tecum issued to Mr. Hallet Kilbourn requiring him to produce certain deeds, declarations of trust, printed papers, copies, drafts, vouchers, bank books, bank checks, stubs of checks, ledgers, blotters, daybooks, etc., "that can or may afford any information or evidence relating to the said matters to be inquired of by said committee, belonging to you or subject to your control, either individually or as trustee, or as a member of the firm of Kilbourn & Latta."

[illegible] eventually [illegible] stated in the syllabus, [illegible]

[illegible] allegation [illegible] business [illegible] consequently no [illegible]

In the [illegible] Mr. Justice Miller [illegible] p. 1[illegible]:

[illegible] history [illegible] Is it [illegible] the members [illegible] Here, again, the courts, [illegible]

And again (p. 1[illegible]):

We are of opinion [illegible] of the House of Representatives authorizing [illegible] conferred on that body by the Constitution [illegible] lawful authority to require Kilbourn to testify [illegible] voluntarily chose to tell; that the orders and [illegible] of the House and the warrant of the Speaker under which Kilbourn was [illegible] of jurisdiction in that body and that [illegible] authority.

Under that ruling it is very clear that had a committee been appointed under House resolution No. 255, introduced by Mr. Lilley, it would have been powerless. No witness could have been compelled to answer a single question or produce a paper, save by his own voluntary act. The resolution charged nothing, but proposed merely the appointment of a special committee "to investigate the conduct of the Electric Boat Company of New Jersey and their predecessor, the Holland Boat Company, respecting the methods employed by said companies in connection with past or proposed legislation before Congress." There was not even an allegation that there had been any conduct, and certainly none that it had been improper, and there was no reference whatever to the conduct of Members of the House with regard to legislation. Such an investigation would therefore have been entirely outside of and beyond the jurisdiction of the House itself, and, of course, beyond that of any committee of the House.

But, by newspaper interview and in his statement before the Committee on Rules, Mr. Lilley did make very serious charges which led the Committee on Rules to bring forth a resolution of their own, No. 288, which, having been passed by the House, is the one under which this committee is now proceeding. That resolution sets forth the charges by Mr. Lilley that the companies named "have been engaged in efforts to exert corrupting influence on certain Members of Congress in their legislative capacity and have, in fact, exerted such corrupting influence." The resolution charges this committee "to investigate the charges made by said George L. Lilley of corrupt practices on the part of said companies and Members of Congress with respect to legislation."

The investigation of alleged corrupt conduct on the part of Members of the House in respect to legislation was clearly within the power of the House, and it is probable that the conduct of a private corporation in its dealings with Members of Congress in respect to legislation may also be the subject of investigation, under certain circumstances, or at least may be considered in an investigation of the conduct of Members themselves. Be that as it may, this appears to

be the first case in which either branch of Congress has attempted by resolution specifically to investigate the affairs of a private corporation.

Representative Lilley having demanded that subpœnæ duces tecum be issued to the officers of the Electric Boat Company, such subpœnas were made out in blank and delivered to him to be filled out as he thought proper to accomplish the desired purpose. They were made out, as it subsequently appeared, by the counsel of the Lake Torpedo Boat Company and are, in terms, very sweeping. The one served upon Mr. Isaac L. Rice, president of the Electric Boat Company, read as follows:

The said Isaac L. Rice to bring with him all books of accounts, showing payments made to attorneys and employees for work performed or to be performed at Washington or in any Congressional district of the United States. Also all vouchers covering expenses of that character. Also all checks, check books, check stubs, showing all such checks issued for such employment. Also all vouchers and memoranda showing payments to Elihu B. Frost for expenses of every kind and character at Washington or elsewhere in promoting the interests of legislative enactments of appropriation and for the procurement of contracts. All books, records, vouchers, checks or check stubs, drafts, or other evidences of any money contributed by Isaac L. Rice personally to the campaign fund of any political party in the United States. Also certified list of all stockholders of the Electric Boat Company at the present time. Also certified list of all stockholders of the Holland Torpedo Boat Company, as well as those who have ever at any time owned or held stock of either of those companies.

The others may not be considered, as Mr. Rice gathered the books of the company together in his own control and came to Washington. He did not refuse to produce them before the committee, but by such able counsel as Martin W. Littleton, Esq., and John D. Lindsay, Esq., presented argument in support of the proposition that the committee ought not to insist upon their production, no ground having been laid and neither the committee nor the House itself having authority to investigate the purely private books and papers of a private corporation in the absence of positive evidence that they contained anything relating to the conduct of Members, but, on the contrary, in the face of positive evidence that they did not.

It must be conceded that in any event the subpœna is altogether too broad. The evidence shows that the company operates several manufacturing plants and has several hundred employees. The demand to produce the books and documents showing payments to them "for work performed, or to be performed, in Washington or in any Congressional district of the United States" would include the services of attorneys in the trial of litigation and of mechanics engaged in boat building anywhere in the United States, all of which is clearly beyond the scope of this inquiry, and equally beyond the power of the House itself.

In other particulars the subpœna is too broad. What has this House or this committee to do with "the procurement of contracts," unless in some way the conduct of Members in regard to legislation is involved? It is true that a new subpœna might be issued or this one limited in scope so as to call only for books, check stubs, vouchers, etc., showing payments to campaign funds for the election or defeat of Members of Congress, conditioned upon their agreement to vote for certain legislation, but all through the most thorough and exhaustive examination each and every one of the officers, agents, and attor-

neys of the company have sworn that there are no such books and papers to be produced because there were no such payments.

The question is whether, in the face of such positive and uncontradicted testimony, and in the absence of any specific charge pertaining to any particular year, or any particular Congress, or any particular Congressional district, or any particular campaign fund of any particular party, but merely upon indefinite and general charges shown to have been based entirely upon rumor, the committee is authorized to examine books, papers, and accounts relating to the private affairs of this private corporation merely for the purpose of determining whether or not in their testimony the officers have lied. If they have told the truth, there is nothing in their books and papers into which this committee or the House itself has authority to inquire.

In 1894, there having been made charges of corruption in the Senate in connection with the passage of the sugar schedule in the tariff bill, that body passed a resolution under which a select committee was appointed for the purpose of investigating and reporting, inter alia, "whether any Senator has been or is speculating in what is known as sugar stocks during the consideration of the tariff bill now before the Senate." Mr. Elverton R. Chapman, a member of a firm of stock brokers in New York, dealing in the stock of the American Sugar Refining Company, was asked whether his firm had, during certain months, bought or sold any sugar stocks for or in the interest of any United States Senator, and whether the said firm was at that time carrying any sugar stock for the benefit of any United States Senator.

Mr. Chapman refused to answer either one way or the other. His refusal was certified to the district attorney of the District of Columbia under section 102 of the Revised Statutes, and he was thereupon indicted. Chief Justice Alvey, of the court of appeals of the District of Columbia, in a very elaborate opinion, reported in Senate Miscellaneous Document No. 278, page 822, sustained the indictment, holding that the case was entirely different from Kilbourn's case, and that the inquiry was within the power of the Senate and the question pertinent to the inquiry. The case finally reached the Supreme Court, where the unanimous opinion of that body was delivered by Chief Justice Fuller. After commenting upon the Kilbourn case and declaring the case at bar to be entirely different, because specific charges publicly made against Senators had been brought to the attention of the Senate, and that the subject-matter as affecting the Senate was within the jurisdiction of the Senate, he said:

> The questions were undoubtedly pertinent to the subject-matter of the inquiry. The resolutions directed the committee to inquire "whether any Senator has been or is speculating in what are known as sugar stocks during the consideration of the tariff bill now before the Senate." What the Senate might or might not do upon the facts when ascertained we can not say, nor are we called upon to inquire whether such ventures might be defensible, as contended in argument; but it is plain that negative answers would have cleared that body of what the Senate regarded as offensive imputations, while affirmative answers might have led to further action on the part of the Senate within its constitutional powers.

Suppose, however, that Mr. Chapman, instead of standing mute, had answered and sworn positively that no Senator had at any time been speculating in stock through the medium of his firm; that he was not carrying and had not at any time carried any stock for any Senator; then the case of Chapman would have been like the present case of Rice, except that in the Chapman case there were specific and positive

charges, while in the present case there is neither evidence nor specific charge. Had Mr. Chapman answered "no," would then the Senate have been justified in examining his books to ascertain whether or not he had lied? Such answer, it would seem, would have brought him within the ruling in Kilbourn's case and protected the private books and papers of his firm from examination.

The requirement of the books and papers seems to have been desired chiefly to prove payments to campaign funds. Prior to the passage of the act of 1907 there was no Federal law making such contributions illegal. That act makes it an offense to contribute to political funds for the election or defeat of Congressmen, and makes it an offense punishable, not by the House, but through the instrumentality of the proper court. It is conceivable, however, that in a proper case where there was a specific allegation that such contribution had affected the conduct of a Member of the House, testimony as to such contribution by a corporation might properly be demanded by the House, not for the punishment of the corporation, but as a basis of proper action against the Member. In this case there is no allegation that any Member has been corrupted, and there is positive evidence that no contribution whatever has been made, and that there are no books showing any payment of any character having a tendency to affect legislation.

Furthermore, the subpœna, like the charges of Mr. Lilley, has no relation to any particular date or dates, but covers all time from the incorporation of the company to the present moment. There is no allegation anywhere that any candidate for a seat in the present House was either elected or defeated by the use of campaign funds contributed by this corporation. It may well be asked, What jurisdiction has this present House to inquire into allegations against Members of any preceding House? In 1875 the Committee on the Judiciary, in a report submitted by Mr. William P. Lynde, of Wisconsin, declared that—

> The committee are of the opinion that the House of Representatives has no authority to take jurisdiction of violations of law or offenses committed against a previous Congress. This is purely a legislative body and entirely unsuited for the trial of crimes. The fifth section of the first article of the Constitution authorizes "each House to determine the rules of its proceedings, punish its members for disorderly behavior, and, with the concurrence of two-thirds, expel a member." This power is evidently given to enable each House to exercise its constitutional function of legislation unobstructed. It can not vest in Congress a jurisdiction to try a Member for an offense committed before his election; for such offense a Member, like any other citizen, is amenable to the courts alone. Within four years after the adoption of the first ten amendments to the Constitution Humphrey Marshall, a Senator of the United States from Kentucky, was charged by the legislature of his State with the crime of perjury, and the memorial was transmitted by the governor to the Senate for its action. The committee to whom it was referred reported against the jurisdiction of the Senate.

In Hale *v.* Henkel (201 U. S., p. 43) the United States Supreme Court decided, as stated, that—

> A corporation is but an association of individuals with a distinct name and legal entity, and in organizing itself as a collective body it waives no appropriate constitutional immunities, and although it can not refuse to produce its books and papers, it is entitled to immunity under the fourth amendment against unreasonable searches and seizures, and where an examination of its books is not authorized by an act of Congress a subpœna duces tecum requiring the production of practically all of its books and papers is as indefensible as a search warrant would be if couched in similar terms.

Subpœnæ duces tecum were, at the instance of this committee, served upon Mr. Simon Lake, president, and other officers of the Lake

Torpedo Boat Company, who thereupon placed themselves in the same position as the officers of the Electric Boat Company. Their counsel, who had prepared the subpœnæ duces tecum under which the Electric Boat Company's officers were required to produce their books and papers, now took the position that they could not be required to do so. He stated to the committee that he adopted the argument of counsel for the Electric Boat Company and considered it sound.

The fact that the Lake Company is not mentioned in the resolution of the House, under which this committee was appointed, does not affect the liability of its officers to testify and produce the books and papers of the corporation in the investigation of charges of corrupt conduct on the part of Members of the House. There is fully as much, if not more, reason to infer from the facts appearing upon the record in this case that the books of the Lake Company would show payments for the influencing of legislation as there is that the books of the Electric Boat Company should so show, but there is no positive, direct, specific, or tangible charge against either, and the officers of both companies have positively testified that they have made no such payments and consequently can not produce any books or papers showing such payment, because having been no such payments there can be no such books and papers.

Many authorities might be cited in addition to those herein mentioned, but they are sufficient to convince us that under all the facts of this case if we were to persist in our demands and positive refusals to comply being made the House should certify the fact to the district attorney of the District of Columbia under the law, the courts would not sustain an indictment against the officers of these corporations for failure to produce their books and papers.

It is perhaps not strange that the Electric Boat Company objected to the examination of its private books, papers, and accounts at the behest and upon subpœna prepared by its bitter rival, the Lake Torpedo Boat Company. Neither is it strange that the latter did object to an examination of its books, papers, and accounts which might result in disclosing the secrets of its private business to the public. But your committee was somewhat surprised when Mr. Lilley, having demanded and insisted upon the production and examination of the books, papers, and accounts of others, should be the first to object to the authority of the committee to compel the production. This committee is charged with the investigation of the conduct of Members with reference to legislation. The adoption of the resolution itself, under which we are proceeding, was, in a sense, legislation. The passage of the naval appropriation bill was, of course, an act of legislation.

The pending inquiry of this committee touches legislation. It seems, therefore, to us that the conduct of Mr. Lilley relating to these matters might be proper for investigation, and that he of all persons insisting upon an investigation into the acts of others should not seek immunity as to his own. It appearing that he had been in correspondence with some officials of the Lake Torpedo Boat Company touching the matter, and that the company had inaugurated a "Propaganda" to influence Members, we desired that correspondence or copies thereof. A newspaper published in his home town, and in which he or members of his family are financially interested, published articles making very serious charges against Members of the House in matters affecting or likely to affect legislation. It appeared in evidence that that

newspaper had no Washington correspondent and that Mr. Lilley had addressed at least one letter to the editor thereof. We desired a copy of that letter and of any other letter or letters which might have been written by him tending to shape the course of that newspaper in regard to Members of this House.

It developed also in evidence that a letter signed with his name, severely criticising and unjustly aspersing Members of the House, had been published in a newspaper, and that he, knowing such publication, had not disavowed the genuineness of the letter. After it had been in print for some thirty days he was asked concerning it and testified that it had been written by his secretary without his knowledge. His secretary testified that he had written the letter and had signed Mr. Lilley's name thereto in accurate imitation of Mr. Lilley's signature. He also admitted that he had written and signed Mr. Lilley's name in a similar manner to twelve or fifteen other letters commenting upon and criticising this inquiry. A copy of the one letter which was published was produced from Mr. Lilley's letter-press book. We desired copies of the others. If they were not written by Mr. Lilley, and his name was affixed to them without his knowledge, we did not see that they constituted such private correspondence as to be immune from investigation. Instead of producing them, however, he, through his counsel, Senator Brown, made the very first argument against the authority of this committee.

Among other propositions he asserted that having used Mr. Lilley as a witness it was not competent for the committee to attempt to impair his testimony, as upon cross-examination, by the production of his books and papers. If that argument of Mr. Lilley's counsel is valid, it affords a clear defense for the officers of the two boat companies, the only purpose of the investigation of whose books could be to contradict their oral testimony.

We are not convinced by the arguments of Mr. Lilley's counsel that, Mr. Lilley having waived the privileges of the Fifth Amendment to the Constitution, the compelling of the production of the documents above indicated would be so unreasonable as to violate either the letter or the spirit of the Fourth Amendment.

The committee suspended all further action with reference to the demand for these documents on account of Mr. Lilley's health, which prevented his further attendance or examination before your committee.

CONCLUSIONS OF THE COMMITTEE.

The hearings before this committee began on March 9 and closed on April 30. Testimony was taken in Washington, New York, and New Orleans. The evidence, which is hereby submitted as part of this report, covers two thousand pages. Many points of law and methods of procedure were subjects of difference of opinion among the members of the committee, but, after discussion and reflection, every step taken, every opinion rendered, and every decision made was the unanimous act of the committee.

After a careful examination and analysis of all the evidence and an exhaustive review of all the legal and parliamentary decisions bearing upon the questions involved, your committee unanimously find and report:

First. That House resolution 255, introduced by Mr. Lilley, was an impotent resolution, and no evidence could have been compelled thereunder, and that this investigation required the adoption of House resolution 288 of the Committee on Rules, under which the inquiry has proceeded.

Second. That Mr. Lilley's resolution was not introduced in good faith.

Third. That Mr. Lilley had no information to justify his charges made before the Committee on Rules.

Fourth. That Mr. Lilley acted in bad faith in making his charges before the Committee on Rules.

Fifth. That Mr. Lilley acted in bad faith in stating before this committee that he had made no charge reflecting upon Members of the House before the Committee on Rules.

Sixth. That Mr. Lilley allowed himself to be used as an instrument of the Lake Torpedo Boat Company in its rivalry and attack upon a competing company.

Seventh. That Mr. Lilley's real object in introducing his resolution and making his charges was the same as the purpose of the "propaganda" of the Lake Torpedo Boat Company, namely, the defeat of the clause in the Naval Committee's bill relating to submarines.

Eighth. That Mr. Lilley acted in bad faith in concealing from your committee the real parties in interest who were behind this investigation and furnishing him with information and evidence.

Ninth. That the charge that the four battle-ship proposition was defeated by the adoption of the submarine clause in the Naval Committee's bill was false; that Mr. Lilley, as a member of the Naval Committee, knew that the charge was false, and that he refused to maintain the charge before this committee.

Tenth. That Representative Loud was made the object of anonymous charges that were without any foundation in fact.

Eleventh. That Mr. Lilley violated his obligation as a Member of this House in formulating and urging before this committee the groundless charges against Representative Loud.

Twelfth. That Mr. Lilley acted in contempt of this House in destroying the forged letter from Webster to Edinborough instead of delivering it to this committee.

Thirteenth. That Mr. Lilley violated his obligations as a Member of this House in permitting his clerk to send out letters in Mr. Lilley's name reflecting upon the honor and integrity of Members of this House.

Fourteenth. That Mr. Lilley acted in contempt of this House in not disavowing openly upon the floor of the House the letter to Goff, published over his signature, reflecting upon the honor and integrity of Members of this House.

Fifteenth. That no official of the Navy has been induced by the officers of the Electric Boat Company, or anyone else, to act in his official capacity from corrupt or improper motives.

Sixteenth. That Mr. Lilley's charge of excessive profits in the submarine contracts was based on fictitious figures, composed by an agent of the Lake Torpedo Boat Company by a perversion of the testimony of Admiral Bowles in 1902.

Seventeenth. That the charge that an excessive profit in the submarine contracts was due to special and exclusive legislation in favor of one company was false, and Mr. Lilley knew that the charge was false when he made it.

Eighteenth. That no representatives of the press have been bribed or corrupted by the Electric Boat Company.

Nineteenth. That no member of the Committee on Naval Affairs has been induced by the officers of the Electric Boat Company or anyone else to act in his official capacity from corrupt or improper motives.

Twentieth. That no Member of this House has been induced by the officers of the Electric Boat Company or anyone else to act in his official capacity from corrupt or improper motives.

Twenty-first. That the only two attorneys employed by the Electric Boat Company in the districts of members of the Naval Committee, and remote from the business of said company, did not exercise a corrupting influence upon either Mr. Lilley or Mr. Loud, in whose districts they lived.

Twenty-second. That no campaign or other contributions were made by the Electric Boat Company to any Member of this House or or to any campaign committee or fund of any political party.

Twenty-third. That Mr. Lilley has sworn repeatedly, including his last appearance before this committee, that he had no further suggestions, facts, or sources of information, and that he had withheld from the committee nothing that would tend to sustain his charges.

HENRY SHERMAN BOUTELL.
FREDERICK C. STEVENS.
MARLIN E. OLMSTED.
WILLIAM M. HOWARD.
R. F. BROUSSARD.

[redacted]

REGISTERED TRADE-MARK. DESIGN PATENT No. 38360.

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Send the following message, without repeating, subject to the terms and conditions printed on the back hereof, which are hereby agreed to.

Loud voted for this $1,476,296. 60 graft, in the Naval Committee.
There is a story in circulation that the Holland people got a prominent attorney to become a candidate against Loud last time, that Loud finally agreed to vote for the submarines upon deal that the attorney withdraw- the attorney withdrew.

Subscribe foe N.Y. HERALD and Washington POST.

Loud can be defeated on this proposition alone by you.

Watch Congressional Record.

Have your local papers play up proposition.

Have them write Loud for explanation and whether the withdrawal story is true.

COPY OF ANONYMOUS LETTER RECEIVED BY MR. EDINBOROUGH, MADE BY COMMITTEE STENOGRAPHER ON SMITH PREMIER TYPEWRITER IN OFFICE OF LAKE TORPEDO BOAT COMPANY.

60TH CONGRESS, 1st Session | HOUSE OF REPRESENTATIVES | REPORT No. 1727

HOUSE OF REPRESENTATIVES, UNITED STATES
SELECT COMMITTEE
UNDER HOUSE RESOLUTION 288
WASHINGTON, D. C.

HEARINGS

BEGINNING MARCH 9, 1908

HENRY S. BOUTELL, CHAIRMAN
FREDERICK C. STEVENS
MARLIN E. OLMSTED
WILLIAM M. HOWARD
ROBERT F. BROUSSARD

PART 2—TESTIMONY

WASHINGTON
GOVERNMENT PRINTING OFFICE
1908

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE APPOINTED UNDER H. RES. 288,
Washington, D. C., March 9, 1908.

The special committee met at 10.30 a. m. in room 483, House Office Building, Hon. H. S. Boutell (chairman) presiding.

All members present, viz, Messrs. Stevens, Olmsted, Howard, Broussard, and Boutell.

The CHAIRMAN. The clerk will read the certified copy of House resolution 288 and the certificate of the appointment of the members of this committee.

The clerk read as follows:

SIXTIETH CONGRESS, FIRST SESSION.

CONGRESS OF THE UNITED STATES.

In the House of Representatives.

MARCH 6, 1908.

Whereas Mr. George L. Lilley, a Representative from the State of Connecticut, on his responsibility as a Member of this House, before the Committee on Rules, has, among other things, stated in substance that the Electric Boat Company, of New Jersey, and their predecessors, the Holland Boat Company, have been engaged in efforts to exert corrupting influence on certain Members of Congress in their legislative capacities, and have in fact exerted such corrupting influence: Therefore be it

Resolved, That a committee of five Members be appointed to investigate the charges made by said George L. Lilley of corrupt practices on the part of said company and of Members of Congress with respect to legislation, and that said committee shall have authority to send for persons and papers and to take testimony in Washington, District of Columbia, or elsewhere, either before the full committee or any subcommittee thereof. Said committee shall report as speedily as possible with such recommendation, if any, as to the committee shall seem meet.

Attest:

A. MCDOWELL, *Clerk.*

The Speaker announced the appointment of Mr. Boutell, of Illinois; Mr. Stevens, of Minnesota; Mr. Olmsted, of Pennsylvania; Mr. Howard, of Georgia, and Mr. Broussard, of Louisiana, members of the committee.

Attest:

A. MCDOWELL, *Clerk.*

The CHAIRMAN. Accompanying House resolution 288, pursuant to which this committee was appointed, was a report designated as Report No. 1168, from the Committee on Rules, containing the information and charges upon which the resolution was based, and the appointment of a committee was ordered. The clerk will read the report in full.

The clerk read as follows:

[House Report No. 1168, Sixtieth Congress, first session.]

On the 20th day of February last Mr. George L. Lilley, a Representative from the State of Connecticut, introduced into the House a resolution calling for the appointment of a special committee of five Members of the House, to be appointed by the Speaker, "to investigate the conduct of the Electric Boat Company of New Jersey and their predecessors, the Holland Boat Company, respecting the methods employed by said companies in connection with passed or proposed legislation before Congress."

There was nothing on the face of the resolution that charged corrupt or even improper methods on the part of the company or companies in connection with legislation or proposed legislation. On the day succeeding the introduction of the resolution, however, an article appeared in the Washington Post which did charge the companies named in the resolution with corrupt practices, and which quoted an interview on the subject with Mr. Lilley, the author of the resolution. Thereafter numerous alleged interviews with Mr. Lilley appeared in certain newspapers of the country coupling the names of Members of the House with the Electric Boat Company and legislation in its interest.

Following upon these publications, Mr. Lilley at his own instance appeared before the Committee on Rules, admitted the authenticity of the interview in the Washington Post, but repudiated all others, and made a statement which is submitted herewith as part of this report:

"Mr. LILLEY. I understood the resolution to read that I appeared before the committee at my own instance. I received a written notice from Mr. Buzby and on that appeared before the committee. I don't know that it makes any difference, but I wanted to call attention to that.

"The CHAIRMAN. I think perhaps it would be better to have the clerk read it off first in connected form, as it is the official resolution."

In that statement charges are made of corrupt practices on the part of the Electric Boat Company influencing Members and legislation, and of such character, taken as a whole, as to lead your committee to conclude that it is due to the maintenance of the dignity and integrity of the House and its Members that an investigation into the charges made by Mr. Lilley should be had. They therefore recommend the adoption of the accompanying resolution.

APPENDIX.

COMMITTEE ON RULES,
HOUSE OF REPRESENTATIVES,
Tuesday, February 25, 1908.

The committee met this day at 11 o'clock a. m. Present: Mr. Cannon, the Speaker, chairman; and Messrs. Dalzell, Sherman, Williams, and De Armond.

The SPEAKER. Mr. Dalzell, will you ask Mr. Lilley such questions as you have in mind?

Mr. DALZELL. Mr. Lilley, this committee has before it a resolution which you introduced, and the substantive parts of which I will read [reads]:

"*Resolved*, That a special committee of five Members of the House be appointed by the Speaker to investigate the conduct of the Electric Boat Company of New Jersey and their predecessors, the Holland Boat Company, respecting the methods employed by said companies in connection with past and proposed legislation before Congress."

The rest of the resolution is simply to provide the machinery for the committee.

Now there is nothing in that resolution that charges corrupt or even improper methods on the part of the company or companies in connection with legislation or proposed legislation. The Committee on Rules has noticed certain publications in newspapers purporting to come from you; in substance that the activities of said company or companies have influenced corrupt action or proposed corrupt action of [illegible] Members of the present House in connection with legislation. The Com- [illegible] understand, may not act properly without some tangible [illegible]

[illegible] Committee on Rules, I ask you this question: Have you a [illegible] as a Member of the House of facts showing [illegible] company or companies, or attempted cor- [illegible] Members of the present House in his or their [illegible] Member or Members?

STATEMENT OF HON. GEORGE L. LILLEY, A REPRESENTATIVE OF CONNECTICUT.

Mr. LILLEY. I have a statement prepared here that I should like to read to the committee.

Mr. DALZELL. Yes, if it is in answer to that question.

Mr. LILLEY. I think it is [reads]:

"I propose to show that for several years prior to the Lessler investigation the Holland Company, and its successor, the Electric Boat Company, maintained in Washington an organized lobby for the purpose of influencing legislative appropriations in favor of the Holland boat, and that it had under annual retainer C. E. Creecy, Gen. Eppa Hunton, ex-United States Senator M. C. Butler, C. S. McNeir, Dr. W. R. Kerr, and others.

"That for several years Mr. Elihu B. Frost, vice-president of the said company, has been a continuous visitor at Washington during Congressional sessions, and that he has spent large sums of money in furnishing entertainment to Members of Congress, and that his expenditures along this line amount to thousands of dollars.

"That the Senate amendment to the appropriation bill of March 2, 1907, was prepared and drafted by the attorney for the Electric Boat Company, for the purpose of and with the intention to eliminate competition in submarine construction, and to prevent the Secretary of the Navy from exercising any discretion in awarding contracts for submarines."

Mr. DALZELL. What is that clause, please? Please read that over again.

Mr. LILLEY [reads]:

"That the Senate amendment to the appropriation bill of March 2, 1907, was prepared and drafted by the attorney for the Electric Boat Company, for the purpose of and with the intention to eliminate competition in submarine construction, and to prevent the Secretary of the Navy from exercising any discretion in awarding contracts for submarines."

Further [reads]:

"That a thorough investigation by an impartial committee will show that large sums of money have been, by the Electric Boat Company, its officers, or agents, contributed to campaign funds of Members of Congress who favor and have favored the Electric Boat Company's monopoly of submarine construction; also, that large sums of money have been spent to accomplish the defeat of members of the Naval Committee who did not favor the Electric Boat Company."

Mr. WILLIAMS. If it will not interrupt you, will you mind stating who those members are?

Mr. LILLEY. I do mind, sir [reads]:

"That an examination of the books and records of the Electric Boat Company, and of its predecessor, the Holland Boat Company, will show that large sums of money have been paid from their treasuries for the above purpose.

"That continued and repeated efforts have been made by representatives of the Electric Boat Company and its predecessor to influence the action of the officials of the Navy Department, and that such efforts in the past were so persistent and notorious as to call forth the condemnation and criticism of high officials of the Navy Department, whose testimony can be secured by an investigation committee.

"That from 1893 up to the present time these efforts of the Electric and Holland Company have resulted in absolutely suppressing any possibility of competition in submarine construction, and securing and awarding of all contracts, either by specific appropriation or by legislative appropriations skillfully drawn, to this company without possibility of competition.

"That it can be shown by former investigation before the Naval Committee of the House, upon which no reports were made to the House of Representatives, that the Holland company and the Electric Boat Company have been engaged in doubtful and reprehensible efforts to influence Members of Congress and officials of the Navy Department in favor of their boats and appropriations therefor.

"That it can be shown upon investigation that certain representatives of leading newspapers have been subsidized and paid by the Electric Boat Company for favorable newspaper articles and reports in behalf of the said companies.

"It has never been held that evidence should be taken or submitted in advance to warrant Congressional investigation. Such a procedure would be investigation per se by the Committee on Rules. Such an investigation should be only undertaken by a committee specially appointed for that purpose, and before which committee witnesses could be examined, books and records produced, and all testimony presented.

"If these things are not actually within the pale of the law, they are wrongful practices and tend to throw discredit upon the Congress of the United States."

Mr. DALZELL. Now, Mr. Lilley, the first thing you suggest there is that this company for a number of years has maintained a lobby here. Now, are you prepared to say that that lobby has influenced corruptly any Member of Congress in his legislative capacity?

Mr. LILLEY. I expect to prove wrongful methods.

Mr. DALZELL. What Members?

Mr. LILLEY. I do not care to state the names of the Members this morning.

Mr. DALZELL. Then you allege also that this company spent money for the purpose of electing Members of Congress. Of course you must have some particular Members of Congress in mind. Who are they?

Mr. LILLEY. I do not care to give the names this morning of Members of Congress. I do not think it should be expected of me.

Mr. DALZELL. Then you suggest also that this company has spent money for the purpose of defeating Members of Congress. You must have some particular Members of Congress in view when you make that statement. Who are they?

Mr. LILLEY. I expect to prove that that has actually been tried.

Mr. DALZELL. You do not propose to tell us who they are?

Mr. LILLEY. I understand I am not called upon to try the case before this committee.

Mr. DALZELL. Well, of course, you know the Committee on Rules can not report in favor of a resolution in favor of an investigation on some vague statements as to the existence of facts upon which one man may draw one inference and another man another inference.

Mr. LILLEY. These are not vague statements. They have been constantly and continuously in the air for about fifteen years.

Mr. DALZELL. They are vague statement so long as you refuse to indicate who the particular parties are who have been influenced.

Mr. LILLEY. I shall be very glad to indicate as soon as this resolution is passed and the committee named.

Mr. DALZELL. You say that this lobby has been maintained here since 1893, if I recollect rightly your statement?

Mr. LILLEY. Yes, sir.

Mr. DALZELL. When did you come to Congress?

Mr. LILLEY. [illegible]

Mr. DALZELL. So that your charges relate back to ten years prior to your coming to Congress.

Mr. LILLEY. Yes, sir.

Mr. DALZELL. Those charges, of course, you can not make on your own personal knowledge.

Mr. LILLEY. [illegible] here is an intelligent citizen who reads the papers [illegible] about the methods that were being pursued [illegible] Congress?

Mr. LILLEY. [illegible] what information do you base your [illegible] have had any personal knowledge?

Mr. LILLEY. [illegible] this company in the newspapers and what I [illegible] committee before I came here, certain particu- [illegible]

[illegible] Members do you refer to now?

[illegible]

[illegible] newspaper information?

[illegible]

[illegible] know from Members of [illegible]

[illegible] Congress.

[illegible] Congress before you [illegible]

[illegible]

Mr. LILLEY. Not all of them.

Mr. DALZELL. Well, the result of the whole business is that you will not disclose to us the names of any parties whom you allege have been corruptly influenced. Will you give us the names of the parties, the individual men, who have attempted to corruptly influence Members of Congress?

Mr. LILLEY. I shall be very glad to go into this matter just as soon as this resolution is passed and the committee is appointed; and I assure you, gentlemen, that I am not talking on hearsay. I know my grounds, and I know that I can prove these things before a committee that means business.

The SPEAKER. Let me ask him right there: I just want to suggest a question: Do you allege corrupt action against Members of the present Congress?

Mr. LILLEY. I allege just what my document says. If these be corrupt practices, I allege those things that I have mentioned there.

The SPEAKER. Does it apply to Members of the present Congress touching business pending before the present Congress or any committee of the present Congress?

Mr. LILLEY. It does.

The SPEAKER. You decline to state whom?

Mr. LILLEY. I decline to state the names of the Members at this time.

Mr. DALZELL. Will you state the names of individuals who have corrupted or attempted to corrupt Members of Congress?

Mr. LILLEY. They are using wrongful methods in most every Member's district who serves on the Naval Committee.

Mr. DALZELL. Can you give us the names of some?

Mr. LILLEY. I do not care to at this time. They will be called after this committee is appointed and we get a chance to operate.

Mr. DALZELL. In what way did they ever attempt to corrupt Members of Congress?

Mr. LILLEY. Well, while I do not care to mention the names of others, I do not object to telling you an incident concerning myself.

Mr. DALZELL. Very well.

Mr. LILLEY. In the last Congress a large manufacturer from my town, an intimate friend, a man who would probably have as much influence with me as any man in my State, told me that he had the promise of a large order if I would vote for the submarines. At the same time there came down here a lawyer in politics who had been a member of the State committee and the town committee where I lived; was then; who probably had as much to do with my being in Congress as any man. He came here to Washington and stayed with me, and he was certainly employed by the Electric Boat Company.

Mr. SHERMAN. Worked for what?

Mr. LILLEY. He was employed by Mr. Frost, vice-president of the Electric Boat Company, who, he said, was a college classmate of his, and that he was a splendid fellow and wanted me to meet him. He told me about the excellent qualities of Mr. Frost and urged me to vote for his submarines.

He first had tried by getting the closest political influence to bear upon me that he could, and then a large business enterprise that employed thousands of hands. The same identical thing happened a very few days before the motion was made in our committee this year on submarines. A new manufacturer from the city of Bridgeport walked into my room over in the new building and told me that they were practically closed down, that they never needed an order so badly as they did now, that they had a promise of an order from the Holland or Electric Boat Company if he would vote me right on this proposition. I said, "What is the size of your order?" He said, "$20,000." I asked him what the profit was to them. He said, "About $2,000." "Now," I said, "let me see if I understand you correctly. You are asking me to vote three and one-half million dollars of other people's money, of which I am one of the trustees, for the sake of giving you a twenty-thousand-dollar order on which you are going to make $2,000 profit. Is that your proposition?" He sat and looked at me a few minutes and then said he did not like to have me put it that way. I repeated it to him, and I said, "If that is your proposition, I would prefer to pay you the $2,000 myself." That ended that interview. But an attorney came down here and stayed three or four days—the same one—and the morning that he went away he left a letter in my box at the New Willard containing a clipping from a Washington paper explaining that the Department had sent four submarines to Manila and expected others to follow, and urged on me the necessity of voting for a liberal number of submarines. I thought I had that letter here. No, it is up home.

This Electric Boat Company has been a stench in the nostrils of the country for years, and, in my opinion, it has done more to corrupt legislation than all the other corporations on earth. I think the membership of this House is of the very highest quality, and that they are the best men, usually, from the districts from which they come; but with a flock of 383 here, it would be strange if there were not some sheep in it that had the foot-rot or scabies. I think the disease ought to be eradicated before it spreads. I have no motive or animus in this at all, except in so far as I would like to see the business run on business lines and the selection of submarines left to experts, and not taken from the hands of the Navy Department and from the experts of the Navy, from men like Chief Constructor Capps, who I believe to be the best engineer in the world, and men like Admiral Converse, and taken absolutely out of their hands and dictated what boats shall be built, what companies shall have the contract, leaving them in a position to charge any price they choose. We have got to buy under the present bill that has passed the Naval Committee—we have got to buy obsolescent Holland boats and no other at whatever price they choose to charge. We have eliminated any chance to do business on business lines.

Mr. DALZELL. What other company is there, Mr. Lilley?

Mr. LILLEY. There are several, I understand.

Mr. DALZELL. Do I understand you to charge, Mr. Lilley, under the term of "corrupt practices," that money has been spent, paid to Members of Congress to influence their vote?

Mr. LILLEY. I do not claim that any money has been paid to bribe a Member of Congress. I do expect to prove that money has been contributed to campaign funds, which, morally, is no different from passing a bribe across a table in the committee room when we pass a vote. Morally, there is not a particle of difference; legally, there is.

Mr. WILLIAMS. Now, Mr. Chairman, I would like to ask Mr. Lilley this question: Mr. Lilley, in case the committee concluded to report this resolution favorably, would you object to adding this language to it?—

"And shall report upon the truth or falsity of the allegations in this resolution, and shall recommend to the House appropriate action to be taken by the House with regard to Members found guilty of corrupt practices, if any are shown to be thus guilty, or with regard to the mover of this resolution in case allegations herein contained against the honor and integrity of the House, Members of the House, and the House Committee on Naval Affairs are unfounded and unsustained by proof."

Mr. LILLEY. If you will submit that to me in writing I would like to think it over.

Mr. WILLIAMS. It is in writing.

Mr. LILLEY. I do not just know what that means. If you will give me a copy of it I will be glad to consider its meaning.

The SPEAKER. I would like to ask you a question, Mr. Lilley: You introduced the resolution, it seems—this resolution [indicating]?

Mr. LILLEY. Yes, sir.

The SPEAKER. That was introduced on a Thursday, was it not?

Mr. LILLEY. Yes, sir.

The SPEAKER. Your first call upon me touching this resolution, the first conversation we had about it, was on Saturday last, was it not?

Mr. LILLEY. I think so.

The SPEAKER. In the meantime you proceeded to be interviewed in the public press?

Mr. LILLEY. Well, Mr. Speaker, I had not introduced that resolution very many minutes, and I introduced it just about as the gavel sounded on Thursday, before the newspaper correspondents were around me like a hive of bees. I did not intend to give any interviews whatever, but finally I said, "I will dictate an interview to one of you gentlemen, provided he will submit it to me after he has typewritten it and"——

The SPEAKER. I am not speaking of that——

Mr. LILLEY. I did dictate an interview to Mr. Smith, of the Washington Post, and he submitted it to me at the New Willard that evening, and copies of that were given to other correspondents.

The SPEAKER. This interview, the substance of which is restated in the first statement alleging corrupt action on the part of the Members of the present House, or which purports to have been given out by you previous to your appearance before the committee, or any offer to appear before the committee——

Mr. LILLEY. If you had the particular interview which you have in mind more clearly identified I might answer. Some interviews have been written which were

absolutely without the slightest foundation. I have given no interview except from my own dictation and correction afterwards when presented to me in typewriting. An interview did appear connecting the names of several gentlemen, who I believe to be men of the strictest integrity; but that was an absolute fabrication.

The SPEAKER. I am not referring to any particular interview. I was merely desiring to see as to the fact, whether after you introduced this resolution, which upon its face is harmless—whether it is true that you then went into the newspapers by interview on your own motion or by suggestion on Thursday and Friday.

Mr. LILLEY. I had one interview on Thursday night, and none on Friday; and, Mr. Speaker, I tried to get hold of you on several occasions.

The SPEAKER. You did not "try" to see me.

Mr. LILLEY. Yes, before I did finally see you on Saturday.

The SPEAKER. This room is always open. You came to see me Saturday afternoon, did you not?

Mr. LILLEY. I came to see you Saturday. I could not say whether it was Saturday morning or afternoon. On two or three different occasions I had hoped to get your ear, but found you busily occupied and I thought I could wait.

The SPEAKER. You did wait until Saturday afternoon.

Mr. LILLEY. I did not get to you until Saturday afternoon, or some time Saturday.

The SPEAKER. My recollection is that it was Saturday afternoon that you came to talk with me about this resolution. I am always in this room, save when I am in the House, substantially.

Mr. LILLEY. Well, Mr. Speaker, I have tried many times to get your ear, but I have found so many people on the same mission that I have been timid about coming in here.

The SPEAKER. That was a matter that existed in your own mind. Well, Mr. Lilley, neither by writing or coming to me have you ever been turned down?

Mr. LILLEY. No, no; never.

Mr. SHERMAN. Your attention has been called to the alleged interview in the the New York Sun of Saturday, February 22, has it not, Mr. Lilley?

Mr. LILLEY. Yes.

Mr. SHERMAN. And in the headlines it says, "Lilley accuses Sherman, of New York, of being in on the graft."

Mr. LILLEY. I did not say that.

Mr. SHERMAN. In my presence did you not tell the man supposed to have written that article that it was a lie, characterized by certain adjectives before the word "lie?"

Mr. LILLEY. I certainly did; and I told him the same thing as regards Mr. Williams and Mr. De Armond. It is almost too absurd to require contradiction.

Mr. DE ARMOND. And it referred also to Mr. Griggs?

Mr. LILLEY. Yes.

Mr. DALZELL. I want you to look at that Post and say whether that is the interview that you are willing to be responsible for [submitting copy of the Washington Post].

Mr. LILLEY [after examining same]. Yes.

Mr. DALZELL. That is the Post of what date?

Mr. LILLEY. Friday, February 21.

Mr. DALZELL. All right.

Mr. LILLEY. I can tell you, Mr. Speaker, what I said about that. It was to the effect that the Electric Boat Company had told the people who were striving to make that committee that they had influence. I do not think there is any objection to my stating the name of one of the present Members who went on this year, but I would like to ask him. One of the Members that went on this year said that representatives of the Electric Boat Company came to him and said they had influence and could get him on the committee, and the man did get on the committee, although he told them at the time they said this to him that he did not care for any of their help. He is not one of the Members that voted for the motion, either.

The SPEAKER. To what Member do you refer?

Mr. LILLEY. I would like to ask the Member if he would object.

The SPEAKER. You say that one of the Members that went on the committee this year told you that——

Mr. LILLEY. Told me that one of the representatives of the Electric Boat Company came to him and told him he would like to help him, but he declined any of their assistance.

The SPEAKER. You do not care to state his name?

Mr. LILLEY. I do not think he would have any objection, but I should prefer to ask him.

The SPEAKER. Is that all, gentlemen? Is there anything else you want to ask Mr. Lilley?

Mr. SHERMAN. There is only one authentic interview, Mr. Lilley, and that is the one you have identified in the Washington Post of last Friday?

Mr. LILLEY. Yes, sir.

Mr. SHERMAN. Every other interview, or purported interview, was spurious? You have given no other interview save that one which you have identified?

Mr. LILLEY. There might have been two or three lines yesterday in regard to the Lord and Early matter.

Mr. DALZELL. You know the New York Sun interview?

Mr. LILLEY. Last Saturday?

Mr. DALZELL. Yes.

Mr. SHERMAN. He has already repudiated that.

Mr. LILLEY. Absolutely.

Mr. DALZELL. He denies, I understand, every interview except the Post interview?

Mr. SHERMAN. Up to yesterday?

Mr. DALZELL. Yes.

Mr. LILLEY. Yes. There were perhaps six or eight or ten lines of a statement that I made yesterday in regard to members of the press; Lord and Erly, and others.

Mr. DALZELL. This is in the Lord interview:

"Were they all Republicans?" Mr. Lilley was asked. "Not by a long shot," he replied. "Every Democrat except two has been a friend of this company in season and out, and it has just as many friends among the Republicans. In fact, they are nothing more than so many traveling salesmen, and they know it."

Mr. LILLEY. That is not my interview.

Mr. SHERMAN. You made no statement such as that Mr. Dalzell has read?

Mr. LILLEY. No. The only one authentic interview—the others have been garbled——

Mr. SHERMAN. Or made out of the whole cloth?

Mr. LILLEY. Yes, or made out of the whole cloth.

The SPEAKER. Is there anything else you would like to ask Mr. Lilley?

Mr. SHERMAN. I would like to ask another question. As a matter of fact, you do not accuse me, Mr. Lilley, of "being in on the graft," do you?

Mr. LILLEY. I do not, sir. You can put that question in all the forms you want and submit it to me in writing or not, and I will make the same answer. You know very well I would not make any such statement as that; neither would I make it against Mr. De Armond or Mr. Williams or Mr. Griggs.

If I may have a copy of that I will be obliged to you.

[Article published in Washington Post, Friday, February 21, 1908, referred to by Mr. Lilley in his statement.]

SUBMARINE LOBBY—REPRESENTATIVE LILLEY ACCUSES ELECTRIC BOAT COMPANY—CALLS FOR INVESTIGATION—CONCERN'S REPRESENTATIVES SAID TO HAVE INFLUENCED COMMITTEE—CUTTING DOWN OF BATTLE SHIPS FROM FOUR TO TWO AND SUBSTITUTION OF TORPEDO CRAFT ALLEGED TO HAVE BEEN BROUGHT ABOUT BY ACTIVITY OF COMPANY'S AGENTS—LILLEY'S RESOLUTION INTRODUCED AFTER TALK WITH PRESIDENT-

Following upon the action of the House Committee on Naval Affairs in recommending the construction of eight submarine torpedo boats of the *Holland* type, Representative Lilley, of Connecticut, a member of that committee, yesterday introduced in the House a resolution providing for the appointment of a special committee to investigate the methods of the Electric Boat Company of New Jersey and its predecessor, the Holland Boat Company, in securing legislation.

Mr. Lilley declared that undue influence had been brought to bear upon members of the committee, including contributions by the company to individual and party campaign funds, and that he was prepared to substantiate his charges before the Committee on Rules, to which his resolution was referred, or before an investigating committee, should one be appointed.

The resolution was introduced by him after a conference with the President at the White House earlier in the day. It is understood that no conclusion was reached at this meeting, except that it was agreed that Mr. Lilley should attack the position

taken by the majority of the members of the Naval Affairs Committee and defend the recommendation of the Administration. The sensation which the resolution produced among Mr. Lilley's colleagues, both in the committee and the House generally, caused them to stand about in groups and discuss it. The author of the resolution said the Committee on Rules, of which the Speaker is chairman, would meet soon and decide whether to recommend an investigation.

TEXT OF THE RESOLUTION.

The resolution introduced by Lilley is as follows

"*Resolved*, That a committee of five Members of the House be appointed by the Speaker to investigate the conduct of the Electric Boat Company of New Jersey and their predecessors, the Holland Boat Company, respecting the methods employed by said companies in connection with past and proposed legislation before Congress: *Provided*, That said committee shall have the power to send for persons and papers, to examine witnesses under oath, and may employ a stenographer and one clerk, and shall report the result of its investigations to the House with such recommendations as it may deem proper: *Provided further*, The expenses incurred hereunder shall be paid out of the contingent fund of the House on vouchers approved by the chairman."

The proposal of a Congressional investigation is an outgrowth of the refusal of the Naval Affairs Committee to follow the President's naval construction programme. The President personally backed the Navy Department in its request for authorization of the construction of 4 battle ships, 10 torpedo-boat destroyers, 4 submarines, etc. The committee cut the battle ships to 2 and raised the submarines to 8, and in connection with the latter craft adopted the Loudenslager amendment, providing that they should be of the type of the *Octopus*, unless a superior type should be offered and demonstrated by October 1, 1908.

THE CONTRACT PROVISION.

It was at once pointed out by the friends of the President's programme, among them Representative Hobson, of Alabama, and Mr. Lilley, that this provision practically delivered the contract to the Electric Boat Company, builders of the *Octopus*, because eighteen months is the time required to build a submarine, and the time limit of October 1 gave only eight months to build a competitive craft. Another effect of the amendment was to nullify the right gained by the Secretary of the Navy, in a court decision growing out of last year's submarine tests off Newport, to consider the lake type of boat as a competitor.

"Enough has come under my observation to know that an investigation into the methods of the Electric Boat Company of New Jersey, formerly the Holland Company," said Mr. Lilley, in explaining his resolution, "to convince me that a thorough and searching investigation would result in benefit to the country. The time has arrived when the power of the President, the Secretary of the Navy, and the naval board has been usurped by this company. The naval programme has been ignored, and they have instituted a programme of their own."

"What proof have you of this?" was asked.

"Well," he replied, "I point to the fact that the 4 battle ships recommended by the President were cut to 2 by the committee. The ammunition ship, scout cruisers, and a vessel to lay mines and torpedoes were cut out of the bill. The Secretary of the Navy's plan for improved submarines was voted down. Instead, double the quantity asked for by the Government—8 in number—were provided, but they are to be of the old *Octopus* type.

"The *Octopus* was finished some months prior to the *Vermont*, which is now admitted to be obsolete, owing to the vast improvements that have taken place since she was launched. A proposition to build our new battle ships after the plans of the *Vermont* would be just as reasonable and businesslike as to specify in the bill that future submarines should be built after the *Octopus* type."

"But you speak of the methods of the Holland people. What are they?"

ADEPTS IN LOBBY WORK.

"There are no tricks in the way of lobby work and influencing members that the Electric Boat Company are not adepts in. Sentiment is worked up in every conceivable manner. Attorneys have been hired, who have usually been influential politicians from the home districts of members of the committee. They have brought

all sorts of pressure to bear on individual members, and even candidates have been brought into the field to contest the nomination of members who have opposed the company's policies. They have even gone so far as to find out what new Members of the House have applied for positions on the Naval Affairs Committee, and they have assumed to have influence in securing the assignment of members on that committee. It has also been said that they have contributed to individual and party campaign funds.

"A thorough investigation after the style of the investigations into the insurance companies in New York by a man of the Hughes type would throw a great deal of light on the subject. The methods I have mentioned and many others would be brought out in a searching investigation. By specifying the *Octopus* type in the bill, competition for an improved boat is out of the question."

"Do you favor the Lake type of boat?" was asked.

"I do not," he replied emphatically. "Nor do I favor any particular type. I believe, as every right-minded man must believe, that the type should be left to the judgment of naval experts and constructors and the distinguished members of the naval board, which includes the President, the Secretary of the Navy, and Chief Constructor Capps. It should not be left to men who are inexperienced in the building of vessels, who are influenced in favor of a particular type of submarine boat. I am in favor of a square deal, and my resolution aims to bring that about. If the Holland submarine boat has merit, why not let it stand on its own bottom?"

COMPANY ISSUES STATEMENT.

After the news of the resolution had spread throughout the Capitol, a representative of the company attacked by it gave out the following statement:

"The Secretary of the Navy, in his last annual report, recommended an appropriation for submarine boats of the same type as those which were superior in the Newport trials of last spring, provided a more satisfactory type was not developed. The Committee on Naval Affairs, heeding this recommendation, made an appropriation for these boats in practically the language of the Secretary's recommendation. Representatives of the Electric Boat Company declare that Mr. Lilley supported an appropriation for a large number of these boats, at last session, but that since that time the Lake boat, whose headquarters are in Mr. Lilley's State, failed in the Newport trials, and they assert that Mr. Lilley, after having fought unsuccessfully a provision for submarine boats, in the language of the Secretary's recommendation, is now, through a resolution of the House containing charges of misconduct, merely attempting to nullify the committee's action, and that this is all he hopes to do.

"In the Naval Committee members are thoroughly familiar with this unending strife over submarine boats and with the reckless charges instigated by losing competitors. The company has no fear of the result of any investigation anywhere. This desire to investigate is always manifested after a losing committee fight."

MR. LILLEY INDIGNANT.

When Representative Lilley's attention was called to this statement he became indignant He dictated the following reply:

"That statement is merely a subterfuge and wholly misleading. It is along the lines of the company's past attempts to deceive the public. I should be entirely satisfied if the bill followed the same language it followed a year ago, leaving the matter in the hands of the President, the Secretary of the Navy, and the naval board.

"I am ready at the earliest moment to vote for the submarine programme as laid down by the Administration; that is, four boats, and the type to be determined by the experts in naval construction, namely, the naval board, and not by the majority of the committee. I do not object to a reasonable appropriation for submarines, and I do not care what type, but I do object to the Holland Company usurping the power of the President and his advisers.

"If the company has no fear of an investigation, as it declares in its statement, let us have a thorough one. The fact that Mr. Lake lives in the State of Connecticut has no weight with me. I should pursue the same course if he lived in the Philippines. All I ask is that the building of the boats be left with experts."

HOW THE MEMBERS VOTED.

Those on the committee who are understood to have voted against the appropriation for the Holland submarines are Representatives Foss, Lilley, Olcott, Padgett, and Hobson, the last two being Democrats. The other fourteen members of the committee, thirteen of whom voted for the appropriation, are Representatives Loudenslager, Butler, Mudd, Roberts, Loud, Bates, Thomas, Dawson, and Ellis, Republicans, and Meyer, Kitchin, Gregg, Talbott, and Lamar, Democrats. Mr. Meyer is understood to have been out of the city when the vote was taken.

Several members of the committee were interviewed in regard to the resolution introduced by Mr. Lilley.

When Mr. Roberts, of Massachusetts, was shown the resolution he said:

"In other words, he charges that the Holland Electric Boat Company controls the House Committee on Naval Affairs, and forces it to give more submarines than the Secretary of the Navy asks for. I believe any intelligent man who is acquainted with the facts in the case will laugh at such a charge. There is not a man on the Naval Affairs Committee who would not gladly have voted for four battle ships asked for, but we decided that conservatism would bring the best results in a year such as this, when we are said to be facing a huge deficit. I am told that a determined fight is to be made even on the two battle ships recommended, and I should not be at all surprised to see the House bill give only one battle ship.

"The price of two battle ships is about $18,000,000, and for the price of one ship we can build 27 submarines, or thereabout. So in cutting off $18,000,000 from the estimates, a majority of the members of the committee considered that it would be only fair to increase the number of submarines, the need of which is great.

CHARGE DECLARED RIDICULOUS.

"The charge that a combination of submarine men defeated the four battle ship plan is ridiculous, from the fact that there were four different submarine propositions voted on by the committee, and on each of these the vote was so different as to make the talk of a combination foolish. Every man who voted in the committee for two battle ships will gladly vote for four if it is found that there is any sentiment in favor of the four on the floor of the House. I am told, however, that Mr. Tawney, of the Appropriations Committee, expects to fight a recommendation for any battle ships at all. If the charges made by Representative Lilley are specified, I, for one, will be glad to see the matter given the widest publicity, but the resolution in its present form is too intangible."

Other members of the committee expressed themselves as follows:

Representative Dawson, of Iowa: "I have nothing to say at this time."

Representative Gregg, of Texas: "I do not know what this resolution is directed at, and I do not know of any improper methods used by anybody in connection with this legislation, or any other legislation for that matter. If any improper methods have been employed they ought to be known, by all means."

Representative Talbott, of Maryland: "If there is anything wrong or improper, as Mr. Lilley's resolution would seem to suggest, let it be investigated at once. I never heard of anything improper, either regarding this legislation or any other."

Representative Loudenslager, of New Jersey: "There will be no objection from me, and I do not suppose that there will be any from anybody else, to the investigation proposed by this resolution. I don't know anything about it."

Representative Bates, of Pennsylvania: "I have never heard of this resolution before and do not know anything about it. I understand the clause in the naval bill concerning submarines follows the language of the Secretary of the Navy in his annual report."

The CHAIRMAN. Before entering upon the examination the chairman wishes to state that, the sole object of this committee being the attainment of ultimate truth, the fullest opportunity, of course, will be afforded to Representative Lilley and to all persons who are affected by these charges to aid the committee in getting at the truth. Our object is to do justice to all and to maintain the dignity of the House of Representatives, and in pursuance of those principles the committee has decided that its method of procedure must necessarily be governed very largely from developments as the investigation proceeds. For the time being the committee has decided upon the following method of procedure: That all hearings shall be public unless otherwise ordered by the committee; that all statements and evidence shall be under oath; that the inquiry in the first instance shall be confined to the charges affecting the legislation and the Members of the Sixtieth Congress, and that the examination of witnesses shall be conducted from time to time by a member of the committee designated by the chairman.

Saturday afternoon I received the following communication from Representative Lilley, which the clerk will read:

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 7, 1908.

Hon. H. S. BOUTELL,
Chairman Special Committee, House of Representatives.

DEAR SIR: with reference to the appointment of your committee, I respectfully request that I be advised of the first meeting of said committee in order that I may appear and arrange with same as to time, manner, and procedure of beginning and conducting the investigation.

Respectfully, GEO. L. LILLEY.

The CHAIRMAN. On the same afternoon the following letter, pursuant to action of the committee, was delivered to Representative Lilley.

The Clerk read as follows:

Hon. GEORGE L. LILLEY,
House of Representatives, Washington, D. C.

DEAR SIR: By order of the select committee appointed under H. R. 1288, I am directed to request you to appear before that committee next Monday, March 9, at 10 a. m., in room 483 (permanent number) of the House Office Building and give all evidence within your personal knowledge respecting the matters referred to in said resolution and the report accompanying the same.

Respectfully, H. S. BOUTELL, *Chairman.*

The CHAIRMAN. Representative Lilley, the committee will be glad to hear from you.

Mr. LILLEY. Mr. Chairman, I am placed by your committee in the attitude of prosecuting this investigation, and I should be permitted in the exercise of my best judgment to have witnesses called in such order as I think is best qualified to bring before the committee the facts upon which I took action in introducing the resolution. I shall have no hesitation, if the committee desires, at the proper time to be examined as a witness.

The CHAIRMAN. The committee would be glad, then, to proceed with the evidence now. Will you be sworn?

Mr. LILLEY. I respectfully——

The CHAIRMAN. If this is a statement containing evidence, the committee would like to have the witness sworn.

Mr. LILLEY. I don't care to testify this morning, Mr. Chairman.

The CHAIRMAN. You are not prepared to go on with the testimony?

Mr. LILLEY. No, sir.

The CHAIRMAN. And this is a statement relating to the method of procedure?

Mr. LILLEY. Yes, sir. I respectfully represent to your committee that in an investigation of this character much of the testimony can only be obtained from unwilling witnesses, and in order to draw from those witnesses the real facts it will be necessary to have them examined by some one profoundly qualified and skilled in the art of examination and cross-examination.

Inasmuch as I am not a lawyer or a member of the special committee of which you are chairman, and in view of the fact that in all cases where improper or undue influence or motive is the subject of investigation it is necessary to have counsel learned in the manner of examining and cross-examining witnesses, the effect of evidence and other matters, in order that the whole truth may be ascertained, I respectfully ask the right to be represented before your committee by counsel, and that such counsel be empowered to examine or cross-examine such witnesses as I may call before your committee, as the circumstances may require, and cross-examine such witnesses as may appear in defense. In the insurance investigation in New York and Pennsylvania investigation in Philadelphia counsel were employed for such purposes, and without their assistance it is doubtful if any results could have been obtained.

The CHAIRMAN. The request of Representative Lilley will be filed with the committee and will be considered by the committee in executive session.

Mr. LILLEY. Another statement I would like to make: It becomes necessary for me to bring to the attention of your committee the fact that I am being shadowed by detectives, which is a condition which should not be tolerated by the House of Representatives or by this special committee; and in order that this shadowing may be stopped, I ask in the first instance that certain witnesses be summoned and examined as to whether or not there is an employed force of detectives engaged in the effort to hamper me in connection with this investigation.

I therefore respectfully request that the following persons be subpœnaed: S. P. House, the Bradford Detective Agency; Morgan Bradford, jr., Bradford Detective Agency; Albert W. Wells, of the Bradford Detective Agency. The offices of this detective agency are located in the Colorado Building, Washington, D. C.

The CHAIRMAN. The request will be filed with the others and will be acted upon by the committee in executive session.

Mr. LILLEY. I respectfully request that witnesses be summoned as follows:

Isaac L. Rice, subpœna duces tecum, to bring with him all books of account, showing payments made to attorneys and employees for work performed or to be performed at Washington or in any Congressional district in the United States. Also all vouchers covering

Electric Boat Company, all records, documents, and papers of every kind and character, including bank checks, check books, check stubs, showing payments to said Johnson by said companies of all sums of money; and showing further any such moneys received by said Johnson, personally or otherwise, from Isaac L. Rice, E. B. Frost, or other officers of said companies; and showing further all expenditures of money made by said Johnson for and in behalf of the said companies, or for and in behalf of Isaac L. Rice, E. B. Frost, or any other officer of said companies. Also all records and documents showing what, if any, subscriptions have been made by said Johnson or others in any way connected with said companies, to the campaign funds of any political party in the United States, or in any Congressional district thereof.

C. S. McNeir, Washington, D. C., subpœna duces tecum to bring with him receipts, vouchers, checks, check books, and other evidences in writing of all expenditures made by or through him, directly or indirectly, in the interests of the Electric Boat Company or the Holland Torpedo Boat Company, and also showing all sums of money received by him from the Electric Boat Company or the Holland Torpedo Boat Company, Isaac L. Rice, E. B. Frost, Norman C. Johnson, or any of the officers or agents of the said companies.

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E. W. Creecy, Washington, D. C.

F. P. B. Sands, Washington, D. C.

Dr. W. R. Kerr, of Chicago and Washington, D. C.

Frank L. Edinborough, Bay City, Mich.

W. D. Gordon, Midland, Mich.

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expenses of that character. Also all checks, check books, and check-book stubs, showing all checks issued for such employment. Also all vouchers and memoranda showing payments to Elihu B. Frost for expenses of every kind and character at Washington or elsewhere in promoting the interests of legislative appropriation and for the procurement of contract. Also all books, records, vouchers, checks or stub checks, drafts, or other evidences of any money contributed by Isaac L. Rice personally to the campaign fund of any political party in the United States or in any Congressional district of the United States.

Elihu B. Frost, subpœna duces tecum, to bring with him all books of account, vouchers, memoranda, drafts, checks, check stubs, check books, and other evidences of record of the Holland Torpedo Boat Company and of the Electric Boat Company, showing all expenditures of money for the employment of attorneys or otherwise at Washington and in the Congressional districts of the United States, and showing all expenditures of money made by the said Frost in connection with the affairs of the Holland Torpedo Boat Company and the Electric Boat Company at Washington or elsewhere; and all records and documents showing what, if any, subscriptions have been made by said Frost or others in any way connected with said companies to the campaign funds of any political party in the United States or in any Congressional district thereof. Also all contracts for the employment of attorneys or other persons by the Holland Torpedo Boat Company of any kind and character. Also all correspondence, including telegrams, or any carbon copies between the officials and the attorneys of said companies with their attorneys, agents, and representatives.

Maurice Barnett, treasurer Electric Boat Company, subpœna duces tecum to bring with him all books of account, letters, telegrams, memoranda, or carbon copies thereof in writing; checks, check stubs, check books, vouchers, and other evidences showing the expenditures of the Holland Torpedo Boat Company and the Electric Boat Company of every kind and character in and about the employment of attorneys, agents, or others; and the allowances of expense accounts and other items paid to any individuals in connection with the direct or indirect efforts of said companies in securing Congressional action or contracts, and including also any sums that may have been paid to any political party in the United States or in any Congressional district thereof.

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Electric Boat Company, all records, documents, and papers of every kind and character, including bank checks, check books, check stubs, showing payments to said Johnson by said companies of all sums of money; and showing further any such moneys received by said Johnson, personally or otherwise, from Isaac L. Rice, E. B. Frost, or other officers of said companies; and showing further all expenditures of money made by said Johnson for and in behalf of the said companies, or for and in behalf of Isaac L. Rice, E. B. Frost, or any other officer of said companies. Also all records and documents showing what, if any, subscriptions have been made by said Johnson or others in any way connected with said companies, to the campaign funds of any political party in the United States, or in any Congressional district thereof.

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The CHAIRMAN. The statement and request will be filed by the clerk and will be considered by the committee at its executive session.

Mr. LILLEY. I would state to the committee that I have tried very hard to get counsel here this morning. Immediately on the passage of the resolution by the House I wrote to counsel in my home county and received a telegram from him on Saturday night saying, "Letter received. Am sorry, but in view of work on hand I think it impossible to undertake the work. See letter. W. H. Williams," and a letter accompanying his reasons. I want to say to the committee that I have been at work as fast as I could to be prepared this morning with counsel. In conclusion I would like to make just one more statement. My charges are contained in the resolution I introduced in the House, and I understand this committee is appointed by the House to call witnesses and investigate as to whether or not these charges are well founded. I do not propose to put myself in the attitude of a grand jury and present an indictment; but I have asked the committee to summon certain witnesses I have designated, and I will, if permitted by the committee, and assisted by an attorney, examine these witnesses when they come before your committee, and assist the committee to the fullest extent possible in bringing out the facts. To insist that I could formulate written charges, and that this investigation should be limited to those written charges, and that no opportunity should be given to conduct this investigation along the lines of all other general investigations which have proved successful, would simply be to

stifle real investigation and make the adoption of the resolution a farce.

The CHAIRMAN. The clerk will file this statement also with the committee. Mr. Lilley, the committee is now quite prepared to proceed in accordance with the request sent you last Saturday, with your own examination on matters within your personal knowledge, and if you are prepared we will be glad to proceed now.

Mr. LILLEY. I would like to say to the committee that I am not prepared. I ask for counsel before making any further statements.

The CHAIRMAN. The committee, of course, will grant you any time necessary for that or any other reasonable purpose, but the suggestion that I made was that we might proceed this morning on matters within your own personal knowledge, for which you need no counsel.

Mr. LILLEY. My first statement, if you please, will show you why, or states why, which reads—I would like to repeat it: "I am placed by your committee in the attitude of prosecuting this investigation, and I should be permitted in the exercise of my best judgment to have witnesses called in such order as I think is best qualified to bring before the committee the facts upon which I took action in introducing the resolution. I shall have no hesitation, if the committee desires, at the proper time, to be examined as a witness."

The CHAIRMAN. The chairman would state in reply to that that the committee, of course, does not place the gentleman in any position whatever. The committee have met here pursuant to the resolution of the House to perform a most painful duty, to the best of its ability, in simply arriving at the true facts. All that we have before us to guide our action in this solemn duty is the report sent to us by the Committee on Rules. On page 5 of that report you say: "I shall be very glad to go into this matter just as soon as this resolution is passed, and the committee is appointed; and I assure you, gentlemen, that I am not talking on hearsay. I know my grounds, and I know that I can prove these things before a committee that means business." Now those matters which are within your personal knowledge, of course, you need no counsel for, and the committee will be glad to proceed at once.

Mr. LILLEY. The chairman being the able lawyer that he is, knows very well, I assume, that it makes a vast difference in getting at the exact facts as to the process in which the witnesses are called.

The CHAIRMAN. Of course, the method of procedure, as stated at the outset, will have to develop as the investigation progresses, and it will always, of course, rest with the committee to determine the order in which we should proceed. The committee assumed, I may say, that you would be glad and willing to appear before the committee this morning and proceed with what was within your personal knowledge. We had no intention of going outside of that this morning or cover any matters for which counsel will be needed.

Mr. LILLEY. Mr. Chairman, I do not care to proceed without counsel.

The CHAIRMAN. Will the gentleman state when he will be ready to give his own testimony concerning things within his personal knowledge?

Mr. LILLEY. After consulting counsel I will be ready to state.

The CHAIRMAN. Will the gentleman state when that will be?

Mr. LILLEY. I am making every effort to obtain counsel from my home State, and I have no doubt I shall have some one here within a

couple of days. In the meantime, if these witnesses that I have asked to have summoned are here, I shall be ready to go on with counsel to hear those witnesses.

The CHAIRMAN. But at the present time the gentleman feels constrained to decline to proceed to give to the committee matters which are entirely within his own personal knowledge?

Mr. LILLEY. I shall be glad to do that in the proper order, but until I have consulted counsel I would think that it would prevent the bringing out of the actual facts, and I assume that what we are after is a right down deep subcellar investigation.

The CHAIRMAN. Undoubtedly there will be nothing referred to in the charges contained in this report which will not be fully testified to and made clear to the public before this committee is through with the examination.

Mr. LILLEY. I think the public desire to know the exact truth of the facts.

The CHAIRMAN. If the gentleman will state what time he will be prepared to go on with the testimony, his own personal testimony, concerning things within his personal knowledge, we could arrange for that hearing. Do you think counsel could be here by to-morrow morning?

Mr. LILLEY. They could not; no, sir; and in the event counsel were here I should decline to make any positive statement as to—I don't mean that in just that form—I would decline to make any positive date until I had consulted my counsel. I will say this, however, I will be glad to go on with those witnesses that I have asked to have subpœnaed here by Thursday morning.

The CHAIRMAN. Owing to other engagements of members of the committee, and in order to give Mr. Lilley time to consult his counsel, the public sessions of the committee will be adjourned until next Thursday morning at 10 o'clock, at which time the committee will examine Representative Lilley under oath concerning the charges contained in this report from the Committee on Rules on matters within his own personal knowledge. The subsequent procedure of the committee will be determined by committee in executive session.

Mr. LILLEY. When am I to know in regard to counsel—shall I appear here with counsel on Thursday morning?

The CHAIRMAN. There is no objection, of course, to the gentleman appearing with counsel and consulting with counsel. The gentleman, of course, does not wish his own examination to be conducted by counsel. The examination of the gentleman on matters within his knowledge will be, of course, conducted by members of the committee.

Mr. LILLEY. Understand, Mr. Chairman, that it matters not to me who conducts my own examination, but without the advice of counsel I shall not be prepared to go on on Thursday with any statement of my own; at least I shall protest.

The CHAIRMAN. You mean by that that your counsel will not be here Thursday?

Mr. LILLEY. I will have counsel here by Thursday.

The CHAIRMAN. You mean you do not want to go on without the counsel being present?

Mr. LILLEY. I don't want to go on then without the advice of my counsel. I believe that the bringing out of this evidence in the proper form, beginning with certain persons, will result in a more complete

expenses of that character. Also all checks, check books, and check-book stubs, showing all checks issued for such employment. Also all vouchers and memoranda showing payments to Elihu B. Frost for expenses of every kind and character at Washington or elsewhere in promoting the interests of legislative appropriation and for the procurement of contract. Also all books, records, vouchers, checks or stub checks, drafts, or other evidences of any money contributed by Isaac L. Rice personally to the campaign fund of any political party in the United States or in any Congressional district of the United States.

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Mr. LILLEY. The chairman being the able lawyer that he is, knows very well, I assume, that it makes a vast difference in getting at the exact facts as to the process in which the witnesses are called.

The CHAIRMAN. Of course, the method of procedure, as stated at the outset, will have to develop as the investigation progresses, and it will always, of course, rest with the committee to determine the order in which we should proceed. The committee assumed, I may say, that you would be glad and willing to appear before the committee this morning and proceed with what was within your personal knowledge. We had no intention of going outside of that this morning or cover any matters for which counsel will be needed.

Mr. LILLEY. Mr. Chairman, I do not care to proceed without counsel.

The CHAIRMAN. Will the gentleman state when he will be ready to give his own testimony concerning things within his personal knowledge?

Mr. LILLEY. After consulting counsel I will be ready to state.

The CHAIRMAN. Will the gentleman state when that will be?

Mr. LILLEY. I am making every effort to obtain counsel from my home State, and I have no doubt I shall have some one here within a

couple of days. In the meantime, if these witnesses that I have asked to have summoned are here, I shall be ready to go on with counsel to hear those witnesses.

The CHAIRMAN. But at the present time the gentleman feels constrained to decline to proceed to give to the committee matters which are entirely within his own personal knowledge?

Mr. LILLEY. I shall be glad to do that in the proper order, but until I have consulted counsel I would think that it would prevent the bringing out of the actual facts, and I assume that what we are after is a right down deep subcellar investigation.

The CHAIRMAN. Undoubtedly there will be nothing referred to in the charges contained in this report which will not be fully testified to and made clear to the public before this committee is through with the examination.

Mr. LILLEY. I think the public desire to know the exact truth of the facts.

The CHAIRMAN. If the gentleman will state what time he will be prepared to go on with the testimony, his own personal testimony, concerning things within his personal knowledge, we could arrange for that hearing. Do you think counsel could be here by to-morrow morning?

Mr. LILLEY. They could not; no, sir; and in the event counsel were here I should decline to make any positive statement as to—I don't mean that in just that form—I would decline to make any positive date until I had consulted my counsel. I will say this, however, I will be glad to go on with those witnesses that I have asked to have subpœnaed here by Thursday morning.

The CHAIRMAN. Owing to other engagements of members of the committee, and in order to give Mr. Lilley time to consult his counsel, the public sessions of the committee will be adjourned until next Thursday morning at 10 o'clock, at which time the committee will examine Representative Lilley under oath concerning the charges contained in this report from the Committee on Rules on matters within his own personal knowledge. The subsequent procedure of the committee will be determined by committee in executive session.

Mr. LILLEY. When am I to know in regard to counsel—shall I appear here with counsel on Thursday morning?

The CHAIRMAN. There is no objection, of course, to the gentleman appearing with counsel and consulting with counsel. The gentleman, of course, does not wish his own examination to be conducted by counsel. The examination of the gentleman on matters within his knowledge will be, of course, conducted by members of the committee.

Mr. LILLEY. Understand, Mr. Chairman, that it matters not to me who conducts my own examination, but without the advice of counsel I shall not be prepared to go on on Thursday with any statement of my own; at least I shall protest.

The CHAIRMAN. You mean by that that your counsel will not be here Thursday?

Mr. LILLEY. I will have counsel here by Thursday.

The CHAIRMAN. You mean you do not want to go on without the counsel being present?

Mr. LILLEY. I don't want to go on then without the advice of my counsel. I believe that the bringing out of this evidence in the proper form, beginning with certain persons, will result in a more complete

and thorough investigation than by going on myself and giving to the people whom my resolution asked to have investigated, than by showing my hand.

The CHAIRMAN. The opinion of the gentleman of course will be taken into consideration, together with all other matters submitted to the committee, but so far as the committee is now determined, the method of procedure will be, first the examination of Mr. Lilley on matters within his personal knowledge, as referred to in this report, and the subsequent procedure to be determined by the committee as the investigation progresses, in view of securing the full truth.

There have been some requests made for copies of the proceedings. As these meetings are public, anyone, of course, is entitled to take the minutes in full, and anyone is entitled, so far as their official duties permit it, to secure copies from the typists who write it out.

BYSTANDER. We prefer to order from the official stenographer.

The CHAIRMAN. The committee has no wishes on that matter at all. The official stenographers dictate that matter to typists, and the securing of the copies will be made through the clerk of the committee.

SELECT COMMITTEE UNDER RESOLUTION 288,
HOUSE OF REPRESENTATIVES,
Thursday, March 12, 1908.

The committee met at 10 o'clock a. m., Hon. H. S. Boutell (chairman) in the chair.

All members of the committee were present.

The CHAIRMAN. The committee will be in order. At the executive session of the committee held last Monday, February 9, resolutions were agreed to which the clerk will read.

The clerk read the resolutions as follows:

It was unanimously agreed that the chairman be directed to reply to the letter of Hon. George L. Lilley of March 9, 1908, concerning his being shadowed by detectives, asking him to state specifically whether or not such alleged shadowing has hampered or is hampering him in bringing before the committee any matter within the scope of its authority as embraced in this resolution, and if Mr. Lilley shall reply in the affirmative, then the chairman shall cause to be subpœnaed the three persons named in said letter of Mr. Lilley, to appear at such time as the committee shall order.

By unanimous vote the following resolution was adopted:

Whereas Hon. George L. Lilley, a Representative in Congress, summoned to appear before this committee, has made the request that he may appear with counsel, and that the said counsel may participate in the examination and cross-examination of the witness; and

Whereas the request on behalf of the Electric Boat Company has been made that it may be represented by counsel before the committee for the purpose of protecting the company's interests; and

Whereas other persons have also requested permission to appear before the committee and yet other persons who may be affected by testimony which shall be rendered before the committee may desire to appear with counsel: Therefore,

Resolved, That Hon. George L. Lilley, the Electric Boat Company, and such other parties affected by the investigation as may desire to do so, may be accompanied by and consult with counsel in all public hearings of the committee; and that in view of these circumstances and in accordance with the well-established precedents of both Houses of Congress for insuring the orderly conduct of such investigation, the examination of all witnesses shall be conducted by a member of the committee to be designated for that purpose from time to time by the chairman; and that such questions or course of examination as parties interested, or their counsel, may desire shall be submitted in writing to the committee.

By unanimous vote the following resolution was adopted:

Whereas Hon. George L. Lilley, in the statements made before the committee to-day, has requested that subpœnaes duces tecum be issued to Isaac L. Rice, Elihu B. Frost, Maurice Barnett, and August Treadwell, jr., whose places of residence are unknown to this committee and are not given in said statement, and also Norman G. Johnson, whose address is given as 11 Pine street, New York, requiring said persons to bring with them all books, vouchers, check books, and statements of persons employed by them in any capacity, etc., but without stating for what purpose they or either of them are to be subpœnaed, nor that the matters hoped or expected to be proved by them shall be within the scope and authority of the resolution under which this investigation is being held, and without stating any basis of authority for the examination of said witnesses, books, accounts, vouchers, etc., so as to show the authority of the committee to make examination or to compel said witnesses to answer; and

Whereas in said statement of Mr. Lilley he has also requested that subpœnas be issued to Marion Butler, Washington, D. C.; C. S. McNeir, Washington, D. C.; C. E. Creecy, Washington, D. C.; E. W. Creecy, Washington, D. C.; B. P. B. Sands, Washington, D. C.; Dr. W. R. Kerr, Chicago and Washington, D. C.; Frank L. Edinborough, of Bay City, Mich., and W. D. Gordon, of Midland, Mich., without stating in any way the purpose for which said subpœnas are to be issued or that the said witnesses are in possession of any facts bearing in any way upon the subject-matter of this investigation. Therefore

Be it resolved, That action upon said request of Mr. Lilley shall be deferred until after the examination of Mr. Lilley and until it shall be developed in the course of the investigation that these witnesses are material and ought to be subpœnaed, and the purpose shall be apparent for which he desires they shall be subpœnaed.

The CHAIRMAN. In pursuance of the resolutions and at the direction of the committee a letter was sent to Mr. Lilley, which the clerk will also read.

The clerk read the letter, as follows:

SPECIAL COMMITTEE APPOINTED UNDER H. R. 288,
Washington, D. C., March 9, 1908.

Hon. GEORGE L. LILLEY,
House of Representatives.

DEAR SIR: The select committee under H. R. 288, in executive session, has had under consideration your letter of March 9, 1908, respecting your being shadowed by detectives.

By unanimous vote of the committee I am directed to inquire whether, in your opinion, such shadowing by these detectives has hampered or is hampering you in bringing before this committee any matters within the authority of the committee. If you are being so hampered, the committee will undertake to protect you as a Member of the House of Representatives or as a witness before the committee in every way within the scope of its authority.

Respectfully, H. S. BOUTELL, *Chairman.*

The CHAIRMAN. I would state that the resolution in reference to being accompanied by counsel was also sent to all parties who had applied for the privilege of appearing before this committee. No replies have been received by the committee to any of those communications. The first order before the committee now will be an opportunity given to Mr. Lilley to appear and testify on matters within his personal knowledge which were set forth by him in the report of the Committee on Rules. [Addressing Mr. Lilley.] Before testifying will you be sworn?

Mr. LILLEY. Before presenting myself as a witness I would like to create a wrong impression in regard to some testimony I gave before the Committee on Rules.

Mr. OLMSTED. You mean correct? The language you used was "create."

Mr. LILLEY. Certainly.

Mr. Chairman, before presenting myself as a witness, I wish to correct an erroneous impression as to just what charges I made before the Committee on Rules.

On the 20th day of last February I introduced a resolution in the House calling for the appointment of a special committee of five Members of the House to be appointed by the Speaker—

To investigate the conduct of the Electric Boat Company of New Jersey, and their predecessors, the Holland company, respecting the methods employed by said companies in connection with past or proposed legislation before Congress.

In this resolution I asked for an investigation which in my judgment, if thoroughly pursued, would result in showing that these companies had from year to year undertaken to influence legislation by improper and unjustifiable methods, which would naturally tend in the public mind to throw discredit upon the House of Representatives and its Naval Committee in respect to legislation and appropriations for submarines, and which, if continued and persisted in, would tend to weaken the public confidence in the integrity of the Members of the House as to their action in connection with pending or future appropriations.

In this resolution I did not charge or suggest that any Member of Congress or of its naval committee had been bribed or had knowingly participated in or been influenced by these improper efforts on the part of the Electric Boat Company and the Holland Torpedo Boat Company, and in my statement made to the Committee on Rules I used the following language:

I do not claim that any money has been paid to bribe a Member of Congress. I do expect to prove that money has been contributed to campaign funds, which morally is no different from passing a bribe across the table in a committee room when we pass a vote.

I did, before that committee, propose to show that money had been used to influence and subsidize the public press of the country in this matter, and I did propose to show that money had been freely used by these boat companies in maintaining an expensive lobby in the city of Washington, and in attempting to influence and bring pressure to bear upon members of the naval committee in certain Congressional districts in order that their votes might thus be secured in favor of these companies' interests.

I expressly repeat and disclaim those alleged interviews published in certain metropolitan journals, copies of which are contained in the report of the Committee on Rules, wherein I was stated to have indicated certain Members of Congress who had been unduly or improperly influenced by the efforts of the Electric Boat Company. My charges, therefore, up to the present time have been solely and alone against the Electric Boat Company and the Holland Torpedo Boat Company, and the efforts of those companies to improperly influence Congressional action. Notwithstanding which the report of the Committee on Rules has the following heading:

CHARGES AGAINST MEMBERS OF THE HOUSE.

I should again call attention to the fact that I have made no charges against the membership of the House, but only against the improper methods pursued by the Electric Boat Company and its predecessors to influence Members of the House; and notwithstanding which the Committee on Rules of its own motion prepared and reported a reso-

lution under which this committee is proceeding, which reads as follows:

Resolved, That a committee of five members be appointed to investigate the charges made by said George L. Lilley of corrupt practices on the part of said company and of Members of Congress with respect to legislation.

The first statement of this resolution that I have made charges of corrupt practices on the part of said companies is correct. The further statement that I have made charges of corrupt practices on the part of Members of Congress is not correct, and is at variance with the tenor of my original resolution and of my statement made before the Committee on Rules.

My purpose has been and is to assist in such an investigation as will show that the said Electric Boat Company and its predecessor, the Holland Boat Company, have engaged in wrongful practices, and in continued efforts to improperly influence legislation with respect to submarines that tend to throw discredit upon the Congress of the United States; and my purpose has been and is through an investigation to relieve the Congress of the United States from the discredit which has thus been cast upon Congressional action, and to place the responsibility for such wrongful and unjustifiable practices upon the proper parties, to wit, the boat companies.

Since the hearing on Monday I have received from this committee a communication which, in substance, denies my request for an order requiring the attendance of witnesses and the production of papers. I desire to say in reference thereto that on Mondey last I requested that certain subpœnas be issued to proposed witnesses, whom I named to the committee. Noting the resolution passed by your committee in respect thereto, and in which it is stated that the places of residence of certain witnesses named were unknown to the committee and not given in my statement, I stand ready to furnish the addresses of all witnesses for whom I have asked, and will be ready from time to time, if permitted by this committee, to ask for additional witnesses to be examined, whose names and addresses I will furnish to the committee as the investigation develops.

I have on my responsibility as a Member of Congress charged that continued and improper efforts and methods have been employed by the Electric Boat Company and its predecessor, the Holland Torpedo Boat Company, in the expenditure of moneys in Congressional elections; in maintaining an expensive lobby at Washington; in efforts made in certain Congressional districts in favor of or against the election of Members of Congress, and in efforts made to subsidize or unfairly influence the public press in its utterances and criticism of the said companies and appropriations made for submarines.

Whether or not money has been improperly used or improper methods have been employed to secure favorable action in Congress can only be successfully shown by an examination of the officers, attorneys, and agents of said companies, and by an examination of the books, accounts, vouchers, checks, and other written memoranda relating to such practices, which are in the possession of the officers, attorneys, agents, and representatives of said companies.

I therefore insist that Isaac L. Rice, president of the Electric Boat Company; Elihu B. Frost, vice-president of the same company; Maurice Barnett, treasurer of said company; August Treadwell, jr., assistant treasurer of said company, and the documentary evidences which I asked for are necessary in order to disclose what methods

have been employed, what moneys paid, what lobbies maintained, what attorneys employed in Congressional districts where the Electric Boat Company would have no legitimate business except that of interfering and influencing Congressional elections, and also what moneys, if any, have been contributed by said companies or its officers, other officials, or in their individual capacity to Congressional campaign funds.

I also say to the committee that upon examination of all but one of the other witnesses for whom I have requested subpœnas it will be observed and disclosed that they have been in the employ of either the Electric Boat Company or the Holland Boat Company, as attorneys, lobbyists, correspondents, or otherwise, and have all been engaged in continued efforts to influence Congressional action favorable to these companies.

I do not know and can not suggest to this committee any proper line of procedure and investigation except such as has been uniformly taken in other important investigations directed against improper and corrupt practices on the part of great corporations and important interests in dealing with the public, with legislative bodies, and with public officials. I have never yet known an important and successful investigation begun by informing the parties to be investigated of the precise character of the evidence that would or could be produced to show their corrupt practices; and having informed this committee on my own responsibility as a Member of Congress of the witnesses, exhibits, etc., from which can be obtained the necessary information to show that the charges now being investigated are true as against said companies, it is for this committee and not for me to determine as to whether or not these witnesses shall be brought before the committee and examined.

A conspiracy to corrupt public morals or unjustly influence legislation and official action can not be proven by the testimony of one witness. These practices are not conducted in open day or in public view. Their methods are secret, and the aim always is to carry on such efforts that no proof will be left from which their real character can be disclosed.

This committee having been appointed by the House to conduct an investigation, I have thus felt it my duty to advise the committee where and from whom testimony can be secured tending to prove or disprove the alleged improper actions of these companies; and with all due respect to the committee, it seems to me that having been advised where witnesses and evidence can be procured, the responsibility is upon the committee to call these witnesses.

Mr. Chairman, I have also received the resolution of your committee in answer to my request that I be permitted to appear before your honorable committee by counsel. By reason of the fact that I am not an attorney or in any way experienced in developing and presenting testimony, and am not qualified in person to examine witnesses, I therefore requested that I might be placed in a position to develop the facts.

This request of mine is by your resolution refused. The permission that I might be accompanied by and consult counsel in all public hearings of the committee, and that I may, through myself or counsel, submit any questions in writing would be of no possible benefit to me or of assistance to the committee in securing the real facts. The witnesses I have named to the committee are nearly all officers

attorneys, agents, and representatives of the Electric Boat Company, or have been, and they are the persons, if any, who have knowledge of the improper efforts made to influence Congressional action if there have been any such. They are what the courts always recognize as reluctant and adverse witnesses, and the facts resting in their knowledge alone can not be fully brought to light except by careful and thorough examination of each witness by an attorney qualified to conduct such an examination.

The Committee on Rules, in its resolution, under which this committee is acting, has said to the country that you are to investigate the charges made by me. However inaccurate this statement may be, it is nevertheless the official statement of the resolution under which this committee is appointed; and it would seem reasonable that if the responsibility is thus placed upon me to make good these charges, that I be permitted assistance by counsel competent to conduct the investigation, to call for witnesses and documentary evidences, and to proceed in the presentation of testimony in such manner and along such lines as I am advised and believe is proper and necessary to secure from the witnesses the real facts which I believe when presented will sustain any charge I have made.

I had supposed that it was the function of this committee to sit here as judges and not to act as prosecutors or defenders, and therefore that the orderly and effective procedure would be to have witnesses examined in the first instance by some other than a member of this judicial tribunal. If, however, in the opinion of your committee, you are not to sit here as a court of judicial tribunal, but to initiate under the resolution a thorough investigation in order to present to the House the facts as to whether or not undue efforts have been made and improper influences have been brought to bear to secure legislative action in favor of the submarines of the Electric Boat Company, it would appear to be incumbent upon this committee to take the initiative of investigation and summon before it all witnesses who might or could produce testimony tending to show any efforts made by the Electric Boat Company or the Holland Torpedo Boat Company to so influence the action of Congress. If, therefore, in the opinion of your committee, I am placed in the position of prosecuting this inquiry, I ask that I may be permitted to conduct it, as I have indicated, along lines which will bring out all the essential facts. And on the other hand, if your committee insists that I am not in the attitude of a prosecutor of these charges, and that the duty devolves upon your committee to initiate and carry on the investigation, that you should bring before the committee the witnesses I have designated and all others that I may hereafter designate from whom information can be obtained as to the conduct of these companies in influencing legislation in Congress.

The suggestion of your committee that the line of procedure indicated by you is in accordance with the well-established precedents of both Houses of Congress is not according to my mind consistent with the precedents.

The most recent investigation of this character was conducted here by the Committee on Naval Affairs, upon the charges made by Mr. Lessler, a Member of Congress, that he had been offered a bribe by the representatives of the Electric Boat Company. That investigation was conducted by the Naval Committee, and attorneys were permitted to be present and examine and cross-examine witnesses,

and so far as my brief investigation has permitted I have discovered no case of investigation in either branch of Congress in recent years where attorneys have not been permitted to be present and examine witnesses.

Such has been the practice of subcommittees of the Senate Judiciary Committee in cases where charges have been presented reflecting upon the worthiness of those appointed to important office. Such was the order of procedure in the Senate before its Committee on Elections in investigating the charges that Senator Smoot, of Utah, was not qualified for a seat in that body, and other cases could be cited if necessary.

After making this statement, and in view of your refusal to permit the individual named in the resolution of the House to conduct this investigation in the only way it seems to me can or will disclose the truth or untruth of the charges presented, and being by the action of your committee excluded from any real participation in this investigation, I leave the further conduct of it to the committee to be proceeded in as the committee may determine.

So far as I am individually concerned, I am ready to obey any order by this committee requiring me to be a witness before it; but in doing so, I state upon my responsibility as a Member of the House of Representatives that in order to fully bring out the necessary evidence to substantiate the charges, the order of the examination of witnesses should be otherwise arranged, and that such testimony as I may be able to give should be presented in the natural order and sequence of investigation such as would be advised by counsel learned in the law.

Mr. Chairman, I ask your honorable committee as to whether or not after consideration of what I have just stated the committee still adheres to its determination to prohibit me from calling the witnesses and presenting their testimony under examination of my attorneys.

The CHAIRMAN. The chairman would state that the powers and duties of this committee are thoroughly outlined in the resolution and order of the House appointing the committee. We were appointed to conduct an investigation. We are not prosecutors, and we sit only as judges in a limited capacity to make a report with certain recommendations to the House. The committee has not and does not place Mr. Lilley in the position of a prosecutor. All witnesses will be properly summoned the necessity of whose presence is legally established as the investigation progresses. The first duty, however, of this committee to the House is to ask Mr. Lilley to testify before the committee on those matters set forth in the report of the Committee on Rules that are within his own knowledge, and the committee is now ready to proceed with Mr. Lilley's testimony.

Mr. LILLEY. Mr. Chairman, your committee having decided that I am not to occupy the position of a prosecutor in this investigation, and that I am not to be permitted to call witnesses or have them examined in such order and in such a way as I believe is best for the development of the true facts in connection with the efforts heretofore made by the Electric Boat Company and the Holland Torpedo Boat Company to influence legislation and appropriations, I now feel that I am relieved from any responsibility of this investigation, and that as an individual I submit myself to the direction and order of this committee.

At the first meeting of your committee I was requested by your chairman repeatedly to be sworn and examined as a witness to any

matters in my personal knowledge throwing light upon the alleged improper practices of these submarine companies. I still protest that it would be detrimental to a thorough and complete investigation to have my testimony taken at this time; and by so doing you would advise the parties charged with improper actions in influencing Congressional action in such a manner as would enable them to prepare for a possible defeat of the purposes of this investigation. The responsibility of this action is upon your committee, and I am here to accept and abide by such orders as you may make. If it is now your desire to direct me to become a witness under oath as to facts within my personal knowledge, you can so state; I waive service of summons, and if you now order me to do so I will take the stand as a witness before your committee.

The CHAIRMAN. You will be sworn.

TESTIMONY OF HON. GEORGE L. LILLEY.

Hon. GEORGE L. LILLEY, being first duly sworn, on being examined, testified as follows:

The CHAIRMAN. I will request Mr. Olmsted of the committee to conduct the investigation, so far as is necessary to ask any questions. The committee will be glad to have the witness state matters within his own personal knowledge that are set forth in the report of the Committee on Rules.

Mr. LILLEY. Mr. Chairman, in my examination before the Committee on Rules, I made the following statement:

I propose to show that for several years prior to the Lessler investigation the Holland Company, and its successor, the Electric Boat Company, maintained in Washington an organized lobby for the purpose of influencing legislative appropriations in favor of the Holland boat, and that it had under annual retainer C. E. Creecy, Gen. Eppa Hunton, ex-United States Senator Marion Butler, C. S. McNeir, Dr. W. R. Kerr, and others.

That for several years Mr. Elihu B. Frost, vice-president of the said company, has been a continuous visitor at Washington during Congressional sessions, and that he has spent large sums of money in furnishing entertainment to Members of Congress, and that his expenditures along this line amount to thousands of dollars.

That the Senate amendment to the appropriation bill of March 2, 1907, was prepared and drafted by the attorney for the Electric Boat Company for the purpose of and with the intention to eliminate competition in submarine construction, and to prevent the Secretary of the Navy from exercising any discretion in awarding contracts for submarines.

That a thorough investigation by an impartial committee will show that large sums of money have been by the Electric Boat Company, its officers, or agents, contributed to campaign funds of Members of Congress who favor and have favored the Electric Boat Company's monopoly of submarine construction; also, that large sums of money have been spent to accomplish the defeat of members of the Naval Committee who did not favor the Electric Boat Company.

That an examination of the books and records of the Electric Boat Company and of its predecessor, the Holland Boat Company, will show that large sums of money have been paid from their treasuries for the above purpose.

That continued and repeated efforts have been made by representatives of the Electric Boat Company and its predecessor to influence the action of the officials of the Navy Department, and that such efforts in the past were so persistent and notorious as to call forth the condemnation and criticism of high officials of the Navy Department, whose testimony can be secured by an investigation committee.

That from 1893 up to the present time these efforts of the Electric Boat Company and Holland Company have resulted in absolutely suppressing any possibility of competition in submarine construction, and securing and awarding of all contracts, either by specific appropriation or by legislative appropriations skillfully drawn, to this company without possibility of competition.

That it can be shown by former investigation before the Naval Committee of the House, upon which no reports were made to the House of Representatives, that the

Holland Company and the Electric Boat Company have been engaged in doubtful and reprehensible efforts to influence Members of Congress and officials of the Navy Department in favor of their boats and appropriations therefor.

That it can be shown upon investigation that certain representatives of leading newspapers have been subsidized and paid by the Electric Boat Company for fa orable newspaper articles and reports in behalf of the said company.

It has never been held that evidence should be taken or submitted in advance to warrant Congressional investigation. Such a procedure would be investigation per se by the Committee on Rules. Such an investigation should only be undertaken by a committee specially appointed for that purpose and before which committee witnesses could be examined, books and records produced, and all testimony presented.

If these things are not actually within the pale of law, they are wrongful practices and tend to throw discredit upon the Congress of the United States.

I have little to add to this statement and to a further statement which I made before that committee, all of which are embodied in its report to the House.

Just prior to my appointment as a member of the Naval Committee I had familiarized myself with the investigation conducted by the Naval Committee upon the charges made by Representative Lessler that $5,000 had been offered him by an attorney representing the Electric Boat Company to influence his action as a member of said Naval Committee. This investigation resulted in what might be termed a "Scotch verdict" of not proven. I also familiarized myself with former investigations of the Naval Committee of this same subject-matter and all the discussions upon the floor of the House in relation thereto. I also became convinced after careful investigation of the legislative proceedings in Congress relating to submarines that legislation had been so shaped from the beginning down to the present time as to eliminate all competition in the matter of awarding contracts for submarine boats. It was also brought to my attention repeatedly and persistently by newspaper comment and general report that the Electric Boat Company and its predecessor, the Holland Torpedo Boat Company, had maintained in the city of Washington an extraordinary number of attorneys and agents to further its purposes in securing appropriations for its submarines. I also ascertained the fact that under the guise of the employment of certain newspaper representatives for insignificant service considerable sums of money had been paid to them by the Electric Boat Company, presumably for the purpose of securing their aid and assistance in coloring their newspaper reports in favor of the said Electric Boat Company. I also ascertained to my own satisfaction that this company had made a practice of employing attorneys in Congressional districts remote from its place of business; that such attorneys could do for said Electric Boat Company nothing except to attempt to influence and control the action of the members of the Naval Committee elected and to be elected from those districts.

I also became advised of prevailing and persistent rumors that the Electric Boat Company had contributed in some Congressional districts represented by members of the Naval Committee to their campaign funds and that it had contributed in at least one instance to the campaign fund of the opposing party in the Congressional district represented by a member of the Naval Committee.

I state also that a man in the service of the Electric Boat Company approached a Member of the House of Representatives, then a candidate for membership of the Naval Committee and now a member of that Committee, and offered his services to secure for said Member of the House a place on the committee. The offer was peremp-

torily declined, and the matter proceeded no further. I am willing to give the name of the Member referred to, as I make this statement on his authority and with his permission to say that he will at any time appear before this committee and confirm my statements.

I do not charge and I do not believe the person in question could exercise any actual influence in procuring an appointment to the Naval Committee. I do say and I do believe that the purpose was to ingratiate the Electric Boat Company in the favor of the Member of the House without warrant by this offer of pretended influence and to mislead said Member to believe, in case he were appointed, that he owed his appointment to the Electric Boat Company.

I have taken it for granted that if these things are not true, a full investigation would be welcomed not only by every Member of Congress, but every member of the Naval Committee, as well as by the officers and agents of the Electric Boat Company, in order that there might no longer remain in the public mind the idea that the Electric Boat Company had been unduly and improperly endeavoring to influence the Congressional action.

The information coming to my knowledge in this way has in my mind been confirmed by personal observation. I can not be expected in and of myself to have a personal knowledge of all these transactions, which, if they exist, must necessarily largely remain the secret possession of the officers and agents of the Electric Boat Company and of those with whom they have conferred in the prosecution of their attempts to influence Congressional action.

Confirming these general matters of information that had been brought forcibly to my attention, there came the attempt, as I distinctly stated, of the representatives of the Electric Boat Company to influence my own action on submarines as a member of the Naval Committee. This attempt was fully stated by me in answer to the inquiry of the Committee on Rules, as follows:

Mr. LILLEY. In the last Congress a large manufacturer from my town, an intimate friend, a man who would probably have as much influence with me as any man in my State, told me that he had the promise of a large order if I would vote for the submarines. At the same time there came down here a lawyer in politics who had been a member of the State committee and the town committee where I lived; was then; who probably had as much to do with my being in Congress as any man. He came here to Washington and stayed with me and was certainly employed by the Electric Boat Company.

Mr. SHERMAN. Worked for what?

Mr. LILLEY. He was employed by Mr. Frost, vice-president of the Electric Boat Company, who, he said, was a college classmate of his and that he was a splendid fellow, and wanted me to meet him. He told me about the excellent qualities of Mr. Frost, and urged me to vote for his submarines.

He first had tried by getting the closest political influence to bear upon me that he could and then a large business enterprise that employed thousands of hands. The same identical thing happened a very few days before the motion was made in our committee this year on submarines. A new manufacturer from the city of Bridgeport walked into my room over in the new building and told me that they were practically closed down, that they never needed an order so badly as they did now, that they had a promise of an order from the Holland or Electric Boat Company if he would vote me right on this proposition. I said, "What is the size of your order?" He said, "Twenty thousand dollars." "Now," I said, "let me see if I understand you correctly. You ask me to vote three and one-half million dollars of other people's money, of which I am one of the trustees, for the sake of giving you a $20,000 order on which you are going to make $2.000 profit. Is that your proposition?" He sat and looked at me a few minutes and then said that he did not like to have me put it in that way. I repeated it to him, and I said, "If that is your proposition, I would prefer to pay you the $2,000 myself." That ended that interview. But an attorney came and stayed three or four days—the same one—and the morning that he went away he left a letter in my box at the New Willard containing a clipping from a Wash-

ington paper explaining that the Department had sent four submarines to Manila and expected others to follow and urged upon me the necessity of voting for a liberal number of submarines.

I am prepared to give to this committee the name of the lawyer I refer to in my statement on this matter, and same can be verified if you will call him as a witness.

I am also prepared to give to this committee the name of the manufacturer in the city of Bridgeport to whom I referred in that statement. He will confirm what I have stated if this committee will call and examine him as a witness.

I can also give this committee the name of the manufacturer of Waterbury, Conn., who endeavored to secure from the Electric Boat Company an order for supplying certain manufactured products to the Electric Boat Company, and he was by the representative of said company informed that said order would be placed conditioned upon his securing my support of the proposed legislation in favor of the Electric Boat Company.

I also call the attention of your committee to the character of the amendment proposed by Representative Loudenslager to the naval appropriation bill which requires in specific terms that the Secretary of the Navy shall award the entire proposed appropriation for the construction of boats of the *Octopus* type constructed by the Electric Boat Company unless prior to October 1, 1908, some other boat should be presented which in the opinion of the Secretary of the Navy equals or excels the said *Octopus*, while it is a fact known of all men that there is not at the present time in American waters and can not in the nature of things be presented in American waters within the period of at least eighteen months from the present time a competing or rival boat to the boats of the Electric Company.

I also learned that the Electric Boat Company had employed as its attorney W. D. Gordon, at or in the Congressional district of Representative Loud, of Michigan, where said company had or could have had no possible business for an attorney in the conduct of its legitimate business, and that said attorney was employed for the sole purpose of endeavoring to secure favorable action on the part of Representative Loud for such legislation as the Electric Boat Company might desire. To substantiate this statement and to justify this committee in examining said Gordon as a witness, I submit herewith extracts from newspapers published in Detroit, Mich. So far as I am advised these public utterances of the press have never been questioned or denied.

[The Detroit News, Detroit, Mich. Friday February 21, 1908.]

LOUD'S TACTICS ON SUBMARINES CAUSE A STIR—GORDON, OF MIDLAND, ATTORNEY FOR THE CONCERN THAT BUILDS THEM—THERE WAS TALK THAT GORDON WOULD OPPOSE LOUD FOR NOMINATION—LOUD DIDN'T OPPOSE INCREASE IN SUBMARINES AND GORDON'S CANDIDACY HASN'T PROGRESSED.

THE DETROIT NEWS BUREAU,
Washington, D. C., February 21.

The Lilley resolution calling for an investigation as to why the House Committee on Naval Affairs recommended an appropriation for only half as many battle ships and twice as many submarines as the Navy Department asked for is bringing the name of Congressman Loud, of Michigan, into the mouths of Capitol gossips.

Mr. Loud is a member of the Naval Affairs Committee of the House, and while it is of course not to be charged for a moment that the Michigan man was susceptible to venal considerations, the hint has been thrown out that his influence for the Holland submarine boat was secured by a species of intimidation.

The story as it is being passed about the Capitol is that a prominent lawyer of the Tenth Michigan district threatened to become a candidate for Congress against Mr.

Loud and that he agreed to keep out of it when Mr. Loud promised to be not hostile to the Holland submarine boat.

Mr. Loud, when seen about this yarn, gave an emphatic denial. He said he was not even here when the Naval Committee voted in favor of the unusual number of Holland submarines and of the reduced number of battle ships. This denial would probably have stopped all talk as far as Mr. Loud is concerned had the Michigan man been entirely frank, but when he denied all knowledge of a certain Michigan man's business in Washington every time the naval appropriation bill comes up in Congress it caused the tongues to wag more than possibly was justified.

This man is W. D. Gordon, of Midland, Mich. It is the common information among Michigan men about the Capitol that Gordon is in the employ of the concern which builds the Holland submarine, and he is here every winter when the House and Senate Committees on Naval Affairs are considering how many submarines they will appropriate for. When Gordon first came to Washington after serving his term as district attorney at Detroit it was noted that he received constant personal attention from Mr. Loud and there was much joking of the Tenth district man on the ground that he was hunting a job for Gordon in order that Gordon might not be a candidate for Congress against Loud. But time went on and Gordon received no Federal appointment and neither did he run for Congress, yet his regular visits to Washington continued. When this was brought to Congressman Loud's attention he said he did not know anything about it.

"What does Gordon do here in Washington so much?" he was asked.

"I don't know," was the reply.

"Does he represent submarine boats?"

"I don't know."

"Did he ever speak to you about submarines?"

"He did not."

"Did he never appear before the Naval Committee in behalf of submarines?"

"No, sir; he did not."

"Is there anything to this prominent lawyer submarine story, and that you agreed to stand friendly to the submarine?"

"First I ever heard of it. Fact is, I was not there when the committee voted for the submarines and cut down the number of battle ships. But my own idea is, and I told the President so, that two battle ships every year is what we ought to build and thus have two coming off the ways every time two are laid down. I think a system like that is preferable to building four in one year."

"Don't you know that Judge Gordon is here to represent a submarine boat, I think the Holland?"

"No, sir; I do not. He never spoke to me about submarine boats."

A number of Members of Congress and Senators, three or four of whom were from Michigan, were then asked this question:

"What submarine boat does W. D. Gordon, of Midland, Mich., lobby for here?" and the answer in each instance was this:

"The Holland."

Frank L. Edinborough, of Bay City, former secretary to Loud, and now a candidate against him for Congress, is suspected of furnishing Lilley with some of the facts which he is so anxious to have brought out in the proposed investigation.

[The Detroit News, Detroit, Mich., Saturday, February 22, 1908.]

LOUD SAID THAT GORDON "ANNOYED"—EDINBOROUGH HANDS OUT SOME INTIMATIONS AGAINST CONGRESSMEN.

BAY CITY, MICH., *February 22.*

"I have never met Congressman Lilley, who is pushing the investigation at Washington into the manner in which the Holland submarine boat people were favored in the report of Congressman George A. Loud's committee," said State Senator Frank L. Edinborough this morning. "I have furnished Mr. Lilley with no information whatever. This matter of the 1908 report comes after my connection with Loud has been severed. If the investigation were to go back into events of 1906, I could tell something. I remember well Loud's complaint of what he called Gordon's persistent annoyance with regard to contracts for the Holland people. When Loud says he doesn't know that Gordon was lobbying for the Holland concern he puts himself in a peculiar light, in view of his own statements as to Gordon."

WASHINGTON, *February 22.*

When asked to explain his statement, made to the Detroit News, yesterday, that he did not vote for the increased appropriation for Holland submarines, Representative George Loud would only say to-day:

"It will all come out in the wash, if there is an investigation."

I am not charging that Representative Loud was influenced by these efforts, but I am charging that these improper efforts by the Electric Boat Company to influence the action of a Member of Congress were made.

I further state that the question as to whether or not contributions or expenditures have been made in these certain Congressional districts represented by members of the House Naval Committee can be shown by the examination of the officers of the Electric Boat Company and the presentation of their vouchers, checks, books, and check stubs, as well as accounts.

I further state as a matter of common knowledge that Elihu B. Frost, the vice-president of said company, has for years been a constant visitor in the city of Washington during the period the naval appropriation bills have been under consideration; that he has furnished lavish entertainment to different members of the Naval Committee, and that in various ways he has expended large sums of money in the effort to ingratiate the said Electric Boat Company in the good favor of the members of the Naval Committee of the House. I do not charge that any of these efforts have been successful, but I present these facts to show that undue and improper efforts have been made to so influence these members.

I am also informed, upon what seems to me to be good authority, that several of the other witnesses I have named to this committee have been employed and have constituted a large, unnecessary, and powerful lobby in the city of Washington, whose efforts have been engaged in securing legislation favorable to the Electric Boat Company and in such manner as to reflect in the public estimation discredit upon the same.

I also charge that certain newspaper correspondents, representing journals whose expressions have so much to do with public opinion, have been employed by the Electric Boat Company, ostensibly to write certain articles and to perform certain services for said company at extravagant compensation, but really for the purpose of influencing and representing what are supposed to be and taken by the public to be the unbiased and unprejudiced newspaper reports of the submarine situation.

I also submit as one of the facts influencing me to introduce my resolution that in my judgment under special and exclusive legislation the Electric Boat Company and its predecessor have already received from the United States an excessive profit of more than $1,000,000 for the construction of its submarines, and that under the proposed legislation now pending it will receive a profit of more than $1,000,000 in excess of what ought to justly and fairly be paid for the construction of submarines provided for, and that this fact can be substantiated by your committee by calling as witnesses the expert officials and constructors of the Navy Department.

I also submit that it can be demonstrated, if your committee undertakes this investigation, that the submarines now constructed, now under contract, and those provided for in the proposed legislation are inferior in type, speed, power, armament, and efficiency to those now in the possession of and under contract for construction by foreign governments, and that the present proposed appropriation of three and one-half million dollars to be expended without possibility of competition for the construction of submarines of the Electric

Boat Company's type is designed and has been urged by said company in order to prevent that competition in construction and type which will be unavoidable after reasonable time has elapsed within which a more powerful competing boat can be constructed and placed in American waters.

In conclusion, I hereby restate and reaffirm that in the resolution which I offered in the House I cast and intended to cast no reflection upon the official conduct of any member of the Naval Committee or of the House of Representatives, and that my only purpose was to call upon the House, as I believed properly, "To investigate the conduct of the Electric Boat Company of New Jersey and their predecessor, the Holland Boat Company, respecting the methods employed by said companies in connection with past and proposed legislation before Congress."

I realize there is a wide distinction between the fact of actual corruption of a Member of Congress and the effect upon his legislative action induced by such influences as can be brought to bear by parties desiring favorable legislation, and my desire has been and is only to bring to the public attention of the Congress and the country the improper methods that have been employed by the Electric Boat Company and which tend to discredit the integrity of the House of Representatives and its Members.

I submit to the committee that the reprehensible practice of employing the constituents of a Congressman to approach and influence him in the matter of his official action ought to be condemned by the Congress, and where such efforts have been made the fact should be shown to the country through the actions of your committee, in order that this kind of secret and insidious influence may be abandoned.

The effect of such practices upon the public mind and in casting suspicion upon Congressional action is well set forth in the following editorial of the Boston Herald:

Congressman Lilley is to have an opportunity to prove his charges of improper influence in connection with the authorization of submarine construction. Mr. Lilley has already explained that he does not allege the direct bribery of any Member of Congress. He does allege contributions to campaign funds and other forms of indirect influence which are quite as objectionable and which should be exposed if they exist. Mr. Lilley has cited his own experience in the two instances in which appeals have been made to him by his own constituents. In each case the constituent has been bribed to approach his Congressman in the matter by the promise of a profitable contract which was dependent upon the passage of the desired legislation. The evil of corruption was in the transaction as definitely as if the offer of the bribe had been made directly to the Congressman. But the disguise of service to a constituent was so cleverly arranged that it might have deceived many a Congressman less discerning and careful than Mr. Lilley. If these practices are general, the Connecticut Congressman is fully justified in turning the light upon them.

Having made this statement to your committee and bowing to your decision that you are to conduct this investigation without further assistance from me or my attorneys, I am prepared to answer, so far as I can, any question you may desire to ask.

By Mr. OLMSTED:

Q. Mr. Lilley, the first few questions I ask may seem entirely unnecessary, but they are simply for the purpose of getting a complete record. You are a Member of Congress?—A. I am.

Q. From what State?—A. Connecticut.

Q. What district?—A. At large.

Q. You are a representative of the whole State?—A. Yes, sir.

Q. When were you first elected to Congress, Mr. Lilley?—A. In 1902.

Q. And you have been continuously a Congressman since that time?—A. Yes, sir.

Q. You are, I think, a member of the Committee on Naval Affairs?—A. Yes, sir.

Q. How long have you been a member of that committee?—A. The Fifty-ninth Congress.

Q. Beginning of the first session of the Fifty-ninth Congress? You were in the last Congress and are in this Congress a member of that committee?—A. Yes, sir.

Q. Mr. Lilley, in your statement and in this resolution reference is made to the Electric Boat Company of New Jersey and their predecessors, the Holland Boat Company. Now, will you kindly state to us what the Electric Boat Company of New Jersey is; that is, what it is engaged in, if you know, where its plant is?—A. My information is that it is a corporation organized in New Jersey with an $8,000,000 capital and practically no assets except some blueprints, and that it has no plant. I don't know where its main office is—New York City, I think. The only business that it is engaged in is Government contracts.

Q. In what?—A. My information is that the only business the Electric Boat Company is engaged in is in securing Government contracts. It does not build boats; it sublets them, if my information is correct, to the Fore River Iron Works, at Quincy, Mass., but it does not itself operate any plant.

Q. It is not engaged in the manufacture of any kind of boats, so far as you know?—A. It has no business except to secure Government contracts, so far as I know.

Q. Those contracts are for submarine boats?—A. Yes, sir; submarine boats.

Q. Torpedo boats, submarine torpedo boats?—A. Submarine torpedo boats.

Q. Does the name submarine boat cover it?—A. Submarine boat is the expression usually used.

Q. Then your understanding is that that company secures or endeavors to secure contracts to furnish the Government with a submarine boat and then procures their manufacture from another company, known as the Fore River Iron Company. Then what is the Holland Boat Company?—A. I understand that the Holland Boat Company was organized into the Electric Boat Company.

Q. What I want to get at, is the Holland Boat Company now manufacturing boats?—A. No, sir; I think not.

Q. Then the Electric Boat Company is the present going concern?—A. Yes, sir.

Q. We need not bother ourselves about some preexisting company.—A. Except as these charges date back prior to its reorganization.

Q. Can you state when the reorganization occurred?—A. I can not.

Q. You have mentioned in your statement here something about the Lessler charges, you say, upon which no reports were made to the House of Representatives. The committee is not sure that under this resolution we are authorized to go back of the present Congress, but be that as it may, I simply ask you whether you are not mistaken

in your statement that no report was made to Congress in which that investigation was made?—A. I have been informed that the Naval Committee never made a final report upon that investigation.

Q. I think that you will find that a report was made to the House, a lengthy report, by Mr. Taylor, of Ohio, who seems to have been a member of that committee authorized to make a report. The testimony taken in that case was printed. I remember myself having been present when the report was made, and I think I have seen such a report. I merely call your attention to it. If it has been investigated and a report made to the House—and I must say my recollection is that it was shown that the Holland Boat Company in that case had made improper overtures to Members of Congress—if that was investigated and report made, you would not expect the present House to go back and reinvestigate the investigation which was then made if it be the fact that it was investigated and reported to the House?—A. Well, that is for the committee to determine.

Q. Would it be your thought, was it your suggestion, that it should do so?—A. I had no suggestion to make.

Q. Now, Mr. Lilley, in your statement made before the Committee on Rules, to which the resolution introduced by yourself was referred, you made certain statements, which you have reiterated here, with reference to an approach made to yourself by some one who was or whom you assumed to be a representative of the Electric Boat Company with reference to legislation.—A. Yes, sir.

Q. That occurred substantially as you have given it before the Committee on Rules, and then repeated it here?—A. Yes, sir.

Q. Do you object to stating the name of the person or persons who thus approached you?—A. Not at all. The manufacturers were Franklin A. Taylor, of Waterbury, and John P. Kellogg, of Waterbury, attorney. The other manufacturer—this occurred in different years, you understand—the manufacturer this year was Mr. Ferry, of the Bridgeport Brass Company.

Q. Will you give his full name?—A. One of the constituent companies of the American Brass Company.

Q. Will you give his full name?—A. I can not at this moment; I will get it for you.

Q. Do you know his address?—A. Bridgeport, Conn.

Q. What was the name of the company?—A. It is one of the constituent companies of the American Brass Company, called the Bridgeport Brass Company.

Q. Now, that was this year?—A. Yes, sir.

Q. I have the statement here somewhere. Are these the names of the three gentlemen on the list here of witnesses you have submitted?—A. No, sir.

Q. Will you state what occurred between Mr. Ferry and yourself in the first place; where did the interview occur?—A. It occurred in my room, 260, in this building.

Q. When?—A. Just prior to the action of the Naval Committee on the proposed new construction.

Q. Do you know what date that would be?—A. I could give you that information by looking at the register in the Willard Hotel. Mr. Ferry stopped there.

Q. Perhaps you can give it approximately within what month?—A. I would say that it was early in February.

Q. Will you state what Mr. Ferry gave you to understand he desired you to vote for—some proposition favorable to the Electric Boat Company?—A. Yes, sir.

Q. State what the proposition was he wished you to support.—A. He wished me to support a motion introduced to appropriate money for the purpose of building Holland submarine boats, saying, in effect, that if I would do so that he was promised a large order.

Q. That he was promised?—A. That he was promised; yes, sir.

Q. He was a manufacturer in your district and he wished to move you to vote for that proposition in order that he might secure an order for some wares that went into the construction of boats?—A. Yes, sir.

Q. What did you say to him?—A. I asked him what the size of the order was. He said $20,000. I asked him how much profit would accrue to this company, and he said about $2,000.

Q. He said to you that he was sent by the Electric Boat Company?—A. The attorney for the Electric Boat Company spoke to me the night before.

Q. Just there, who was the attorney?—A. John P. Kellogg.

Q. Where does he live?—A. Waterbury, Conn.

Q. You were about to mention what he said?—A. He made an appointment for Mr. Ferry, for me to meet Mr. Ferry on the following day.

Q. Was Mr. Kellogg present at the interview?—A. He was not. Mr. Ferry came up by appointment alone.

Q. You agreed with Mr. Kellogg as to a certain date, time, and place for Mr. Ferry to call?—A. Certainly.

Q. Did he submit to you in writing any written offer or amendment or enactment that he would like to have put in the naval appropriation bill—did Mr. Ferry or did Mr. Kellogg?—A. Mr. Kellogg, not this year, but on the time previous that he was down handed me a written form of a motion that would probably be offered in the Naval Committee.

Q. Was it offered?—A. Yes, sir; it was.

Q. By whom?—A. I don't just recall, it is a matter of record, and I asked yesterday the chairman of the Naval Committee. He said by calling the clerk and asking for his minutes——

Q. What I want is, it was offered and submitted and voted upon?—A. Yes, sir.

Q. Did you support it?—A. I can not say whether I did or not; the minutes show that.

Q. I thought perhaps you would recall.—A. I rather think that I did.

Q. But you haven't stated that he submitted any written offer or proposition this year?—A. He did not.

Q. Was the proposition which he desired you to support this year, as you understood it, similar to the one which you have referred to as having been submitted to you in the previous year?—A. Not at all alike. The one submitted to me previously was for open legislation, leaving the letting of contracts with the Department. This one shut out any possibility of competition.

Q. Is there competition? Are there other companies making the same kind of boats—the same boats? Similar boats?—A. I think so.

Q. What companies are they?—A. One is the Lake Torpedo Boat Company. John C. Holland, who was formerly with the Holland Boat Company, claims to have a company, and there are one or two others; I don't think there are any actually doing business except the Lake and the Holland. The others are in an experimental stage.

Q. The Holland, then, whose name is attached to these boats, is running an independent concern by himself—that is, outside of the Electric Boat Company?—A. I don't think that he is running any.

Q. He holds himself out as ready to do so?—A. All of these companies simply have plans for boats on which they secure Government contracts. I don't think there are any that own any shipyards or that own plants for building boats. I had a letter a day or two ago from some one that claimed to have a better boat than anything that had ever been offered. I think I have that communication in my office.

Q. They then strive to get Government contracts and then get other people to make the boats for them?—A. Then sublet to some shipyard.

Q. Has the company with which Mr. Holland is now connected—you say has no manufacturing plant?—A. I don't think so.

Q. Where are the headquarters of that company?—A. I think they are in New Jersey, somewhere.

Q. His residence is in New Jersey?—A. I think so; I am not at all sure about that.

Q. Is that the name of the Lake company?—A. I think it is the Lake Torpedo Boat Company.

Q. Has that company a plant?—A. No, sir; not to my knowledge.

Q. Where is that company located?—A. Their boats are built by the Bath Iron Works; I think so; I won't be positive.

Q. Bath, N. Y.?—A. Bath, Me.

Q. Where is the company itself located?—A. Mr. Simon Lake, I think he is one of the officers of the company, lives in Bridgeport, Conn.

Q. Simon Lake?—A. Simon Lake. There is a father and son. There is a J. C. Lake and a Simon Lake, as I remember. I never met Simon Lake but once, and that was recently. The father used to be down here considerably prior to this year. I have not seen him here this year.

Q. Then there are two western concerns?—A. There is one or two concerns in the West that claim to be in the field to submit plans and compete with these other companies.

Q. I think somewhere here in your statement you referred to a competition at Newport, you said. Am I right in that?—A. I understood there was a competition there.

Q. Between what companies was that competition?—A. That was between the *Octopus*, built by the Electric Boat Company, and the *Lake*. I think that was the name of the other boat, built by the other company.

Q. Is the *Octopus* the name of a type of boat or a particular boat?—A. I think it was a particular boat.

Q. It is immaterial, perhaps, but do you know how that contest resulted?—A. I have understood that the *Octopus* won out on the contest.

Q. You say in your statement that one of the Members that went on this year—and I understand you mean by that on the Naval Committee——A. Yes, sir.

Q. Said that representatives of the Electric Boat Company came to him and said that they had influence, etc., to get him on the committee. I think you stated you had no objection to naming that Member.—A. No, sir.

Q. Who was it?—A. Capt. R. P. Hobson.

Q. Do you know the name of the representative of the boat company that called upon him?—A. Mr. Hobson will state that to you, so he apprised me yesterday, any time you care to send for him.

Q. You prefer I would ask Mr. Hobson that?—A. I would prefer that you would.

Q. Now, Mr. Lilley, is the Electric Boat Company alone in these efforts, so far as you know, to secure legislation?—A. So far as I know, they are.

Q. You made some mention of foreign boats—that is, boats for foreign governments—are they made by any of these companies in this country?—A. As I understand, the English boats are made by Vickers Sons & Maxim, and they have some sort of a contract with the Electric Boat Company—I only know this from hearsay—that all of the improvements made by the Electric Boat Company in this country are turned over to Vickers Sons & Maxim Company, and all the improvements made in England by the Vickers Sons & Maxim Company, according to this contract, are not given to the Electric Boat Company. This country does not have the benefit of any improvements they make over there.

Q. Then your understanding is that the British Government gets the benefit of all improvements, and we get only those improvements that are made in this country?—A. Exactly.

Q. Are these boats covered by patents?—A. They are said to be, but there has been evidence before the Naval Committee by heads of bureaus or naval officers, and so on, that we could build these submarine boats in our own yards without——

Q. Infringing a patent?—A. I understand so.

Q. I won't ask you to go into a field which would require the opinion of expert patent lawyers. I merely want to know whether they claim that they are covered by patents.—A. I think the Electric Boat Company claims that they are covered by certain patents, but that is mere hearsay.

Q. This may perhaps be quite important. Has the Electric Boat Company any active competitor in this country?—A. Yes, sir.

Q. The Lake Torpedo Boat Company?—A. The Lake Torpedo Boat Company.

Q. It has submitted one boat to competition, I think you said.—A. They had a boat in competition last year.

Q. Is that company seeking Government contracts now, or legislative action on Government contracts?

A. Well, I suppose they are. I never knew a company of that nature that was not seeking Government contracts.

Q. What I meant particularly was whether they are trying to secure such legislation as would enable them to do so or result in getting Government contracts.—A. I believe that they are trying to secure open legislation in order that they may be in a position to

compete with any other company. I have never heard of their trying to secure legislation to cut off competitors. I might go further and give you some experiences of mine with the Lake Company if you would like to have it.

Q. We would be very glad to have it.—A. This year, prior to the coming of Mr. Kellogg and Mr. Ferry—I think prior, it might have been after, but I am quite sure it was prior—I was approached by a representative of the Lake Company and asked if I would stand for open legislation, meaning that if any appropriation was made it should be left so that all people should have a fair chance to obtain the business. I said, "Why, of course I will stand for open legislation." Then, shortly before the motion was offered in the Naval Committee making this appropriation of $3,500,000 for eight submarines, the type that won out in the competition, I was approached by the agent of the Lake Company and asked if a certain resolution was introduced in the committee shutting off competition, naming in effect the Electric Boat Company's type of Holland, if I would offer a substitute resolution leaving the appropriation with the Secretary of the Navy to be expended in the regular way, the same as all other ships are contracted for. I said, "I do not care to offer your substitute resolution. I have pretty strong opinions on the submarine business or submarine matters. Personally I do not think they are of much account, but if we are going to have them I will certainly vote for open legislation, leaving the matter in the hands of the President and the Secretary of the Navy and the General Board, who has the management of the letting of those contracts, but I will not offer your substitute motion, because I do not want to be tied up in any way with you people."

Q. Do you know of their approaching other Members?—A. I do not know it of my own knowledge, but I have heard that they offered the motion then to another member of the committee.

Q. Was the motion offered in committee?—A. No; he took it to the wrong man. The man had determined to vote for the Electric Company's boat, and I understand he took the motion, but at the proper time he did not offer it. He was the other way.

Q. The taking of the motion did not put him in motion?—A. Apparently not.

Q. Who was the man who asked you to submit the motion in committee?—A. He is a representative of the company here. I think his name is Neff or Neth.

Q. Does he live in the city?—A. I think he lives in Pennsylvania. My impression is that he comes from Mr. Bates's district. I think he used to be Mr. Bates's secretary.

Q. Was the resolution offered in the committee at all?—A. It was not. Mr. Padgett had practically offered it. He tried to have an amendment attached to the motion that was offered by Mr. Loudenslager, removing that part of the motion that prevented competition. It was in effect——

Q. It was in effect, then, favorable to the Lake Company or in the line that the Lake Company wanted?—A. It was in effect what the Lake Company wanted—a square deal.

Q. Did it carry?—A. It did not.

Q. Do you mind stating how you voted in the committee?—A. Why, I voted for Mr. Padgett's amendment.

Q. Mr. Lilley, the naval appropriation bill which carries appropriations for such boats and other naval matters has not yet been reported to the House, has it?—A. It has not.

Q. Has it been agreed upon in committee?—A. I did not agree upon it.

Q. I mean has the committee finally adopted a bill to be reported to the House?—A. Yes; I think so.

Q. Do you state that it means that it mentions specifically the Holland boat, or the *Octopus*, or whatever you call it, or any particular boat or type of boat?—A. I will give you the history of the passage of the motion, if you would like to have me.

Q. We would be glad to have it.—A. A motion was made by Mr. Loudenslager—a motion that carried—I can not give you the exact language of it, but it is in the bill as it passed the committee, and when he had finished reading the motion—by the way, I think it was on typewritten paper that looked very familiar to me, remembering back a year or two, when I had had one passed up to me, as if it had been drawn outside of the Naval Committee—and when he had finished reading it Mr. Loudenslager——

Q. By whom did it look as if it had been written?—A. It had the earmarks of one that John P. Kellogg had handed me a year or two before.

Q. What was there about that? Typewriting looks a good deal alike to me.—A. I will give you the names of some witnesses who, if you will call them, will be able to throw light upon that matter.

Q. I simply wanted to know whether you could see any specific peculiarity in this typewriting which, after two years, led you to think it came from the same source?—A. I believe I can give you the name of the man who drew it.

Q. We will take that name.—A. Marion Butler.

Q. Where does he live?—A. Here in Washington. He is an attorney for the Electric Boat Company. Immediately after the reading of that motion Hobson arose in his place and said: "Mr. Loudenslager, that means Holland, doesn't it?" Mr. Loudenslager replied, "Yes; in effect."

Q. Let me ask you there. Did you give us Mr. Kellogg's full name?—A. John P. Kellogg.

Q. Where does he live?—A. Waterbury, Conn.

This motion first read: "Unless some new type was developed and demonstrated before August 1." After Captain Hobson had put his question, I arose and offered an amendment to substitute in place of August 1, "6 o'clock to-night."

Q. You wanted quick action?—A. No; they could build a boat and demonstrate it just as readily and have it done by 6 o'clock to-night as they could—as any competing company could—by August 1, and thereupon another member of the committee, Mr. Butler, moved to second my motion, and Mr. Loudenslager said, "No; we will change this to October 1." I said, "You might just as well make it 6 o'clock to-night." It requires about two years to build a boat——

Q. October 1 of what year?—A. This year. That unless a new boat is built and demonstrated before October 1, this appropriation goes to the——

Q. Would it require a boat to be built, as you understand it, require a boat to be entirely new and built between the passage of the bill

and the 1st of October?—A. In effect; that is the way the bill stands now, as it passed the committee.

Q. Or would one already constructed, and that was completed by the 1st of October——A. There are none in American waters under construction.

Q. If these companies are trying to sell boats to the Government, why do not they get those boats ready to exhibit?—A. People do not build a building to exhibit to people who want a house. They build plans. Architects build plans and submit to persons wanting a house, but they do not build a building and bring them to present them.

Q. I have seen samples of a building.—A. No shipyard builds battle ships and offers them to the Government. No shipyard even builds cruisers or torpedo-boat destroyers and offers them to the Government. They build plans and present them to the Government; and we know in effect what a ship is going to be when we see the plans, just as well as we know in effect what this building will look like if we see the plans.

Q. I am not on the Naval Committee and have no knowledge except what I read in the newspapers, but I remember to have read a good while ago of some torpedo boats making some experiments, and I think the President of the United States went under water on one of them. Was that made under a plan or under a contract or under what was an exhibit?—A. I could not tell you. I do not think either one of us would want any stock in a company that would put in a million dollars or so in a boat without knowing whether we had any use for it after we had it built.

Q. As a practical proposition, if the boats are not worth anything it would be foolishness for the Government to buy any of them.—A. Personally——

Q. I mean if we assume that proposition that they are not good for anything we better not buy any of them.—A. People differ as to their use in navy-yards and docks. I don't think that I ran across three officers who thought they were any account, either as an offensive or a defensive weapon.

Q. You have mentioned here a report made by the Secretary of the Navy or a recommendation in that regard. It is not before us. Can you state substantially what it was?—A. If I understand the recommendation of the Secretary of the Navy it differs from that which is passed in this respect: The Secretary of the Navy means that he could purchase from plans, whereas by the bill as passed a boat would have to be presented, built, and demonstrated——

Q. We have seen in some newspaper clippings the claim by the boat company that the provision of the navy bill is in harmony with the reports of the Secretary of the Navy. I do not mean to raise that question here, and what I want to ask was if the Secretary of the Navy recommended any submarine torpedo boats?—A. He recommended four.

Q. If it would take two years to build a boat, would or would it not practically defeat his recommendation to enact such legislation as would require a boat to be built and tested before he could let contracts for any boats at all?—A. It does not require—as I understand the Secretary of the Navy's recommendation—it does not require a boat to be built. We know exactly what a boat is going to be when we have the plans here, just the same as we know what a building is going to be.

When we appropriate for battle ships our constructors go to work and draw the plans. If you would like to have me go into it, I can state why the *Octopus* won out—because she was one year newer. Just the same as it is in the *Delaware* class of battle ships we are building now. We took testimony before our committee that showed that she would be able to destroy in action three of the *Vermont* type, which has just been commissioned.

Q. What I want to get at, we want to make clear as possible the motive that the boat company would have in trying to secure such an amendment as you think was passed. The *Octopus*, as I understand it, is of the Holland type?—A. Yes.

Q. The Electric Boat Company's type, anyway?—A. Yes, sir.

Q. That won out in competition, and if the matter were left open would or would not the Secretary of the Navy be likely to adopt that plan?—A. They are both obsolescent boats—the *Octopus* and the *Lake*. They are both obsolescent. Either company could build a boat to-day that would far outclass either of those that contested last year, as far as the *Delaware* would outclass the *Vermont* in the battle-ship class. The *Octopus* won out at that time because she had six months to a year the best of it. There is not a question in the world but what a better submarine can be built than either one of them. Probably the company that would start to build another six months or a year after would still have a better, just the same as our progress has been in battle ships. Only three years ago there was a large appropriation wanted for the battle ship *Oregon*. I had her in my mind as being the staunchest ship, and I said, "Why, the *Oregon*, I supposed she was the best battle ship in the world." The head of the bureau laughed at me. He said, "She is not even—she would not be good in the first reserve." And the fact is the money has not been spent upon her, and she is practically out of use. The progress and the development has been so fast that every year you could build one that would be far superior to the one of the year before, and it is just so in submarines.

Q. Of course, when you get into these naval matters, in which you are more familiar than we are, when you go out into these battle ships and submarines the committee is in deep water, and we can not go into that.—A. I should be very glad to give the committee all the information I can.

Q. And agreement to vote for a particular resolution. You have intimated that anybody can now build a better boat than either the Holland or the Lake, and can do that without infringing their patents.—A. Why, they can do it; yes. Either of those companies can build a far superior boat than anything that is in the American Navy to-day. There is not the slightest doubt in my mind that the Navy Department can build a submarine in their own yards, without regard to the Lake or the Holland, that would be superior to anything they have got.

Q. That is on the theory that the Government could condemn and make use of the patents, perhaps, but could a third party do it.—A. I think so. Naval officers have said that there was nothing in these patents.

I can tell the inducement, if you would like to have me. The inducement is that Admiral Bowles, the head of one portion of the Navy Department, testified before the Navy Committee that the sub-

marine boats of the Holland type, the 120-ton boats, could be built at a handsome profit to the manufacturer at $745 a ton. After shutting out the competition last summer the Government was obliged to pay the Electric Boat Company $1,059 a ton, something like $800,000 more than Admiral Bowles testified would result in a handsome profit, and Admiral Bowles is now the president of the company that builds them, the Fore River Iron Works. And after our present appropriation, shutting out all competition, and obliging the Government to buy the Electric torpedo boats, we have appropriated money to a point of pretty near $1,300 a ton. That is the inducement to an $8,000,000 company, with practically no assets, by shutting out all competition, to get a million dollars more right in this one appropriation and a million dollars more in the one that was let this summer, in last year's appropriation, and it is apparent, it seems to me, to the committee, the inducement is to corrupt legislation. The inducement is to get an extra million dollars of the Government money each year, and that is why eight boats would be more desirable to the Electric Boat Company than four, although the Department has only asked for four, the committee has voted eight.

Q. I think I asked you if the navy bill as agreed upon mentions specifically either the Holland or the Lake boat, or any other boat?—A. I don't think that name appears, but it mentions the *Octopus*.

Q. The construction of the paragraph would give it to that company?—A. Mr. Loudenslager offered the motion, and so answered Captain Hobson when he asked if it did not mean in effect the Holland, and he said it did. It does name the *Octopus*, however, which is a Holland boat.

Q. Then was it put in this position that a vote in one way was in the interest of the Electric company or the Holland people and a vote the other way would tend to help the Lake company?—A. Not at all. Not that way at all. In one way it would commit the Government to the Holland boat absolutely and in the other way it left it free and open to competition from all comers, leaving it in the hands of the naval experts. The way it stands, it is taken practically away from the Navy Department entirely and placed in the hands of the Electric Boat Company. The other motion, or amendment, by Mr. Padgett, would have left it open to the world for the Department to have spent its money where it could get the best value.

Q. But thus far the world has furnished only two companies that have made boats and tendered to the Government.—A. As soon as the Electric Boat Company are successful in stifling all competition, there never will be any chance even of two companies hereafter. If this is held open and everybody knew that it was—was a square deal—a dozen companies might present plans to the Government for boats. There is now what is known as the "subsurface boat." I think one of those has been built. At any rate there was a model of one of them before our committee. This is a little different from the submarine, but the Department thinks very well of it.

Q. Let me ask you while I think of it—the Lake boat, which was submitted in competition, was that built under a Government contract?—A. I do not know.

Q. If not, then you would be mistaken in saying that nobody would build a boat unless they had a contract?—A. I do not know

whether they had a contract or not. My counsel says they are building for the Russian Government. That is a fact, I suppose.

Q. The Lake Company or the Holland people?—A. The Lake people. I am not at all familiar with what either company are doing, except as it appears before our committee and comes out here in Washington. I can not really say of my own knowledge where their offices are.

Q. Did anybody in committee offer an amendment providing that the submarine boats should be built by the Government itself in its own navy-yards?—A. I think not.

Q. Then, as there are only two companies that have submitted boats at all for the Government inspection or contest, whether a boat was given for that purpose or not the vote would result in helping either one or the other of these companies?—A. I think I have stated the situation as clearly as I possibly can. One motion shut out all competition and compelled the Government to buy the *Octopus* type at whatever price the company desired to ask, the amount of money and the result being at a price of nearly $1,300 a ton, whereas the president of the company that builds them testified before the committee that $745 a ton would net the builder a handsome profit. The other motion left it open to competition to the whole world and for the Secretary of the Navy and his general board to decide which was the best and which one they wanted.

Q. But no proposition submitted authorizes the Government to build the boats themselves?—A. No; I think not.

Q. Then the purpose as you construed the amendment was this, that one proposition by restricting the purchase to October 1 gave the Electric Boat Company the exclusive opportunity?—A. It put the Department in a hole where they had to stand for whatever terms the Electric Company proposed. And, furthermore, it left them in a way obliged to contract for an obsolescent boat, an out-of-date boat. Boats grow out of date before you can build them. The *Vermont*, commissioned in August, was out of date when she was commissioned, although she would have been as good a battle ship as ever if she could have been floated at the time the money was appropriated to build her.

Q. Then if we go two years upon competition, by the time the boat was completed the Government would still have better plans submitted?—A. The committee must understand that if plans are submitted to-day, you know what that boat is going to be when she is completed, whether it is two years—I presume they can build these submarines in a little less time. It takes about three years to build a battle ship. I would say that about eighteen months would suffice for a submarine.

Q. If I correctly understand your thought, it is that the objectionable feature is in the required purchase not later than October 1.—A. That would amount in effect to 6 o'clock to-night.

Q. If the Lake people are making boats for the Russian Government, why couldn't they submit for a test one of the boats they are making for that Government?—A. You could not bring those boats over here from Russia.

Q. Are they making them in Russia?—A. I don't know that they are making them at all. I simply pass that along. I have read in the papers that they were. In that connection the Department has

just let a contract for some six or seven of these boats. They have got to have a new proposition to let this work we are appropriating for now, if the bill passes in that form. It takes as long to build their boats as it would take the other company.

Q. What I wanted is merely this: If the Government has to wait two years before it can select a type of boats, and then wait two years longer for the boat to be built, it would be a long time coming.—A. They can select the type immediately, one as quick as the other, and I think no company has any advantage in that respect. For instance, they could submit the form of boat, or just submit plans to them, on a certain day, within a month or three months, or whatever time it took to draw the plans, and they could select from those plans if there was a half a dozen competing—that has got to be in every respect a better boat than the ones we have just contracted for, or she will not be accepted, as I understand.

Q. Mr. Lilley, in the statement you have submitted here under oath you say:

> I also submit as one of the facts influencing me in introducing my resolution that, in my judgment, under special and exclusive legislation, the Electric Boat Company and its predecessors has already received from the United States an excessive profit of more than $1,000,000 for the construction of its submarines, and that under the proposed legislation it will receive a profit of more than $1,000,000 in excess of what ought to justly and fairly be paid for the construction of submarines provided for; and that this fact can be substantiated by your committee by calling as witnesses the expert officials and constructors of the Navy Department.

Was there evidence submitted before the Committee on Naval Affairs while the present naval appropriation bill was pending before it?—A. I lost part of that question, it was so long.

Q. The substance of it is that the Electric Boat Company on contracts it has or had has made an excessive profit, and that it can be demonstrated that the submarines now under contract are not as good as the Government might obtain, or as foreign governments are obtaining.—A. I will produce evidence from naval officers confirming that statement, evidence that has already been printed. I don't this year, I was not present at any meeting when that subject came up.

Q. You did not bring it, then, yourself, to the attention of the Naval Committee, this matter that you have submitted to us?—A. As a matter of fact it did not come positively to my attention until after that. I took the testimony of Admiral Bowles in 1902 before the committee——

Q. The committee has not yet made its report.—A. It has passed on the bill. I do not know whether it has been reported to the House or not.

Q. In fact it has not, and it is within the power of the Naval Committee to reconsider it.—A. Yes, and I sincerely hope they will.

Q. I simply wanted to ask you whether you did not think it would be better to submit evidence of that kind before the Naval Committee, and let it be considered there, and if then it is not acted upon wisely, as you think, submit it to the House when the bill is up there. What I mean to state, it is not within the scope of our resolution to investigate that question. It is wholly outside of our jurisdiction.—A. It shows the incentive that the company has in throttling competition.

Q. You speak here, that these particular boats are inferior in type, speed, power, armament, and efficiency to those now in the possession of or contracted for by foreign governments. To what governments

do you refer?—A. Well, I understand that England and Germany are both building submarines superior to anything we have. I will bring you articles to that effect that have been published, and I think I can give you the actual facts on that.

Q. Are the boats owned by those governments or under contract for construction, are they under contract with American companies?—A. No; I think not. I won't be positive about that, but I think not.

Q. Are either the Holland—and when I say Holland I mean and I suppose you mean the Electric Boat Company?—A. The Electric Boat Company.

Q. Are either the Electric Boat Company or the Lake Boat Company building any for foreign governments except as you have indicated, that one of them is for the Russian Government?—A. I do not know. I know about the Russian Government only from what I learned through papers.

Q. You say in this statement you have submitted to us as a part of your testimony under oath:

> I also charge that certain newspaper correspondents, representing journals whose expressions have so much to do with public opinion, have been employed by the Electric Boat Company, ostensibly to write certain articles and to perform certain services, at extravagant compensation; but really for the purpose of influencing and representing what are supposed to be and taken by the public to be the unbiased and unprejudiced newspaper reports of the situation

It is not clear to me that we have jurisdiction in that matter, unless you mean by that that those newspaper correspondents through their publications are intending to have an effect upon the action of Congress in the Naval Committee.—A. I believe they do have an effect on Members of Congress and this Naval Committee, and I will tell you how that effect is brought about. I believe there has been created in this manner a sentiment for submarines, particularly on the Pacific coast. While I have no direct testimony to offer upon that subject, I am told that these men that go into the boards of trade and chambers of commerce, influential men, lawyers, who come up in these boards and make addresses about their unprotectedness on the Pacific coast, and the fear that the Japs will be over on the next boat, and get a resolution passed by these boards instructing their Congressmen to vote for a large number of submarines as the best means of protecting them from invasion from the East, and in that way I think that is reprehensible conduct on the part of the company, to hire attorneys to go about, and newspaper men, to create war scares, and work through boards of trade and chambers of commerce to bring pressure to bear on members of the Naval Committee and members of the House to vote the Government money for boats. If you call my witnesses you will find that that will come out.

Q. Will you give us the names of the newspaper correspondents to whom you are referring?—A. I am not prepared to give you a list of any except two that have admitted having taken employment from that source.

Q. What are their names?—A. Their last names are Lord and Erly.

Q. Do you know their full names?—A. I do not.

Q. What newspapers do they represent?—A. I do not know that they represent any just at present. I understand they admit having taken or having worked for these companies last summer. I think if

you will look back through the papers of this country or if you look back through the files, I think you will find some pretty highly colored submarine articles.

Q. I am trying to find out what papers they were connected with.—A. One of them, I think, was with the New York Sun, and the other I am not quite sure.

Q. Which one represented the New York Sun?—A. Lord.

Q. Those are the only two newspaper correspondents to whom this charge applies?—A. Oh, I would not say that by any means. I think if you will call my witnesses you will find that there are scores between the Atlantic and the Pacific. There might not be any more here.

Q. You say here that "certain newspaper correspondents." We would like to know who the certain newspaper correspondents are.—A. Those are the only certain ones—those are the only ones that I know about certainly. I only know about that by their own testimony or the report of the press committee. But if you call my witnesses you will find that there is a large number of them, and that a great deal of money has been spent that way.

Q. Do you know where Mr. Lord lives?—A. I do not.

Q. Do you know where Mr. Erly lives?—A. I do not.

Q. How did you find out about it?—A. Why, I heard that they had been employed by the Electric Boat Company. After introducing my resolution I was warned about what I said to them.

Q. Who warned you?—A. I don't recollect just at present.

Q. Do you know who employed them?—A. Why, I was told that the Electric Boat Company had employed them.

Q. Do you know what officer, or agent, or employee, of the Electric Boat Company it was?—A. I did not at the time, but since then I understand that Mr. Erly admits that he was paid by some one by the name of McNeir here. I do not know but that Mr. Lord also admits it.

Q. Here in Washington?—A. Yes, sir. You asked me if I knew where these two newspaper correspondents live. I have only known them in Washington. I presume this may be their home.

Q. Do you know Mr. McNeir's full name, or his initials?—A. You will find it in my list of witnesses.

Q. Is it the same McNeir?—A. Yes, sir.

Q. Then those are the only two newspapers correspondents whom you name or intend by this?—A. I believe there are a very large number, and that if you should call these witnesses they will bring them out. There has been a great deal of literature floating about this country for a long time, coloring this submarine—painting this submarine boat matter in bright colors.

Q. We understand what you mean by that, but you understand that the committee has to have something to go on before it can compel witnesses to come here and testify.—A. Well, I am not prepared to give you the names of any others.

Q. Can you give us the sources of your information as to any others?—A. Why, no more than what is in the air and what we read. I can not tell you who told me now, but there have been Members of the House told me that they had a large number of letters written from their constituents—Pacific coast Members—urging them to vote for a large number of submarines, and they said that they appeared to be all written on the same style and wording and paper, showing

that some agency had been at the bottom of it. We frequently have letters from organizations, there are hundreds, and all look alike.

Q. On all kinds of subjects?—A. Yes; and this shows that this is one of those affairs.

Q. You have received some in reference to the Appalachian Forest bill?—A. I am receiving some now in reference to the Gardner bill, also.

Q. But what we are now looking into was this matter of newspaper correspondents attempting to influence Members of Congress.—A. Well, there ought to be a concrete fact for this committee to pass their judgment on. The mere fact that all these letters are coming on the same paper—there is some press bureau at work somewhere.

Q. A newspaper receiving a letter through the mail would not indicate that it was from a newspaper correspondent?—A. They are doing practically the same thing that I am charging there.

Q. You say that "certain newspaper correspondents," and the only two certain ones you mention are the two you name?—A. That is all.

Q. Do you know whether they were regular correspondents on the staff of newspapers, or whether they were occasional correspondents, or what their relations to the newspapers were?—A. I do not. I know I have seen Mr. Erly here during the sessions of Congress, and I supposed he was regularly employed.

Q. You also say in your statement under oath that you have also ascertained the fact that under the guise of employment as a newspaper representative for insignificant services considerable sums of money have been paid to them by the Electric Boat Company, presumably for securing their aid and assistance in coloring the newspaper reports in favor of said Electric Boat Company. Can you state what sum of money was paid to any newspaper correspondent?—A. I can not of my knowledge state the sums of money paid.

Q. Or by whom the money was paid?—A. Not of my own knowledge.

Q. Or to whom any sum was paid?—A. Not to my own knowledge.

Q. You say "I also ascertained the fact."—A. They admitted it.

Q. Who are "they" who admitted it?—A. Lord and Erly.

Q. To whom did they admit it?—A. Why, the press committee, as I understand. That is my information.

Q. From whom did they admit receiving it?—A. I have the report of the press committee at my house; it came yesterday and I have not had a chance to read it. I simply saw in the papers and have heard from others what the reports are. It is easy to get at that fact.

Q. Your information then is derived from that proceeding?—A. Certainly.

Q. Have you any other information upon the subject from which you ascertained the fact?—A. Not of my own knowledge. But the air is full of rumors and stories to the effect that they are spending large sums of money in that way and I am sure that I can name some witnesses to you that will give you the facts.

Q. Are there any witnesses here in town who could prove that money was paid to newspaper correspondents to directly or indirectly improperly influence Members of Congress in regard to this torpedo-boat legislation or submarines?—A. The witnesses that I want to call for that information would be in the order in which I

have named them the other day: Isaac R. Rice, Elihu B. Frost, and down the line. I don't know who the disbursing officer is. I imagine there are several.

Q. In the interest of expedition, do you know whether or not any of the witnesses are in Washington at the present time?—A. Mr. Frost was here last night, stopping at the New Willard. I am very sure he is here now.

Q. You say further in your statement:

> I have also ascertained to my own satisfaction that this company had made a practice of employing attorneys in Congressional districts remote from its place of business; that such attorneys could do for said Electric Boat Company nothing except to attempt to influence and control the action of those members of the Naval Committee elected and to be elected from those districts

You say "has made a practice." Do you mean that the practice still continues with reference to the present Congress?—A. I believe it does.

Q. Can you name the attorneys so employed?—A. I can name some of them.

Q. Who are they?—A. John P. Kellogg, of Waterbury, Conn; W. D. Gordon, of Midvale——

Q. Waterbury, Conn.?—A. Yes, sir. W. D. Gordon, of Midvale, and I am satisfied that——

Q. What Congressional district is Waterbury in?—A. My own.

Q. You represent the whole State. Are there not also some Congressmen who represent districts?—A. I am in Mr. Sperry's district.

Q. You live in Mr. Sperry's district?—A. Mr. Sperry lives in my district. Waterbury is in my district.

Q. Where do you live?—A. Waterbury.

Q. Where does Mr. Sperry live?—A. New Haven. We both live in the same district. Mr. Sperry's district is the largest in population, I believe, in the United States. He lives at the south end of it and I live at the north end. Waterbury is not quite as large as New Haven.

Q. And each is a constituent of the other?—A. Yes; each is a constituent of the other.

Q. Who is the next man?—A. I have been told of a man in Texas.

Q. Do you know what Congressional district Mr. Gordon lives in?—A. Mr. Loud's.

Q. Who is the next man?—A. I have been told of a lawyer in Texas, in Mr. Gregg's district.

Q. What is his name?—A. I think his name is Coward, but I do not know his initials. I have not got as positive information in regard to him as I have got to the first two, but I have been informed that he was employed by the Electric Boat Company.

Q. Any more?—A. I do not think of any more at present. But if you will call these witnesses that I have asked, you will discover some more.

Q. You are stating that under oath. Have you any knowledge upon which to base it?—A. Then I will change that and say that I am satisfied in my own mind that you will discover more.

Q. In what districts are you satisfied in your own mind that there are attorneys in their employ, and what attorneys?—A. I do not care to make the statement further than that I believe that there will develop a number.

Q. We want your basis for that statement.—A. Those that I know of and am very certain of I have given you.

Q. You say you are convinced in your own mind that there are others?—A. Yes, sir.

Q. What is the basis of your conviction?—A. Knowing the ramifications and the habits or the customs of the Electric Boat Company is enough to convince me that you will find them in practically every district.

Q. Every Congressional district?—A. Practically—where there is any chance for them to work. Wherever there is any chance for them to do business you will find them. That is one of their methods.

Q. Who is the attorney in my district, for instance?—A. I have never observed you on the Naval Committee.

Q. You are referring now not to the whole House?—A. Oh, not at all; not at all.

Q. But to the Naval Committee?—A. Those whom they can persuade; those who have factories and will give orders to the boat company.

Q. Mr. Griggs is not on the Naval Committee?—A. Mr. Gregg.

Q. You have, then, no other knowledge of any further attorneys except that from your general knowledge of things that are in the air about this boat company?—A. I am convinced in my own mind, knowing the methods of this company as I do from my own experience, that you will pick them up in practically every district represented on the Naval Committee. That where they have not any show of influencing a member by bringing pressure from his constituents to bear upon him——

Q. How do you make that differentiation, where they have no show?—A. There are a few members on the committee that I believe they have given up.

Q. What do you mean by given up?—A. I do not think you would unravel any in Mr. Foss's district. There are a number of districts where I don't think—there may be a number of districts where they are not working, but it is because in my opinion—if they are not it is because they believe it is not fertile soil.

Q. Mr. Sperry is not on the Naval Committee?—A. No, sir.

Q. Are you satisfied that they have not given you up yet?—A. They had not up to the time of the introduction of my resolution.

Q. You have named one whom you think they have given up—Mr. Foss. Any others?—A. I do not think I care to go into that. I don't think I am called upon to testify——

Q. You understand, that is exactly the purpose of this inquiry, to find out all we can about these things.—A. You have the names of some witnesses there that can tell you exactly what districts they are in.

Q. But, Mr. Lilley, we can not subpœna people from all over the country and compel them to come to testify unless we have something. And we want, in the first instance, to get all the information that you can give us as a basis.—A. My counsel suggests that I ask the privilege of speaking to him at this point.

Mr. OLMSTED. That is perfectly agreeable.

(After conversation.)

A. I understand you have the power to summon any witnesses you want to, it being a matter of discretion as to whether you think

you ought to do it, but there is no necessity to give a witness any information except that he shall testify in this case.

Q. One committee made the mistake of calling a man here and compelling him to testify, and the Government paid a good many thousand dollars for that mistake.—A. Was it pertinent to the issue?

Q. The committee thought it was, but the court thought not. That is exactly why we want to verify ourselves that when we do compel a witness to come here and investigate him that we shall know that we are within the scope of our authority.—A. It is a question of the scope of the resolution?

Q. Yes; but we want to see whether we are within the scope. In other words, unless we have some reason to believe that he can testify to something that is within the scope of our inquiry we have no constitutional authority to compel the witness to come here.—A. As stated that way, I agree with you.

Q. (The previous question was read, as follows): You have named one whom you thought they have given up, Mr. Foss. Any others? You have named one member of the Naval Committee.—A. I do not care to speculate on that subject. I have given two, including myself.

Q. It is the desire of the committee that we have all the information that you have in your possession, and that you give all the information in your possession.—A. Is that a question? Is that limited to this particular matter?

Q. I am now on the subject of the employment of attorneys in the districts of members of the Naval Committee.—A. I would say that they had no attorney in Mr. Hobson's district or Mr. Padgett's.

Q. Are there any others?—A. They have attorneys in New York City, where Mr. Olcott lives.

Q. Is Mr. Olcott a member of the Naval Committee?—A. He is.

Q. Do you know whether they are in his district?—A. I do not know.

Q. Who are the attorneys in New York of the electric company?—A. I can not tell the names of their attorneys in New York. Frost is an attorney himself. Johnson is an attorney. Johnson is one of them.

Q. Do you know his full name?—A. He is one of the witnesses we asked to be called, Johnson, and Frost, both attorneys in New York. I have been told of other attorneys there, but I do not know their names.

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Q. That we will attend to in due time, and we now have one witness, and we want only one witness at a time. Do you know of any attorney in any district other than the four that you have named?—A. Not of my own knowledge.

Q. You have stated that you are satisfied in your own mind?—A. I am.

Q. That there are. Now, will you state any tangible fact on which your satisfaction or conviction is based.—A. Only the one

Q. We want your basis for that statement.—A. Those that I know of and am very certain of I have given you.

Q. You say you are convinced in your own mind that there are others?—A. Yes, sir.

Q. What is the basis of your conviction?—A. Knowing the ramifications and the habits or the customs of the Electric Boat Company is enough to convince me that you will find them in practically every district.

Q. Every Congressional district?—A. Practically—where there is any chance for them to work. Wherever there is any chance for them to do business you will find them. That is one of their methods.

Q. Who is the attorney in my district, for instance?—A. I have never observed you on the Naval Committee.

Q. You are referring now not to the whole House?—A. Oh, not at all; not at all.

Q. But to the Naval Committee?—A. Those whom they can persuade; those who have factories and will give orders to the boat company.

Q. Mr. Griggs is not on the Naval Committee?—A. Mr. Gregg.

Q. You have, then, no other knowledge of any further attorneys except that from your general knowledge of things that are in the air about this boat company?—A. I am convinced in my own mind, knowing the methods of this company as I do from my own experience, that you will pick them up in practically every district represented on the Naval Committee. That where they have not any show of influencing a member by bringing pressure from his constituents to bear upon him——

Q. How do you make that differentiation, where they have no show?—A. There are a few members on the committee that I believe they have given up.

Q. What do you mean by given up?—A. I do not think you would unravel any in Mr. Foss's district. There are a number of districts where I don't think—there may be a number of districts where they are not working, but it is because in my opinion—if they are not it is because they believe it is not fertile soil.

Q. Mr. Sperry is not on the Naval Committee?—A. No, sir.

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Q. That there are. Now, will you state any tangible fact on which your satisfaction or conviction is based.—A. Only the one

I stated a while ago, that knowing the motives of the company, its ways of reaching out, it satisfies me in my own mind, but I have no positive knowledge.

Q. In other words, it comes down to this—that knowing that they have one in your district and understanding that they have one in three other districts, would lead you to the conclusion that they probably have in all the others; is that what you mean?—A. I meant exactly what I said—that knowing the methods of this company, and their ways of reaching out, that I am satisfied that they have got others at work in other districts, but I can not tell you who they are.

Q. Do you know whether any other torpedo boat company has attorneys in the district of any member of the Naval Committee?—A. I think they have representatives in Bridgeport, which would be in my district.

Q. What company would that be?—A. You ask if I know any lawyers of the Lake company?

Q. I ask if any company other than the Electric Boat Company had any attorney?—A. I think the Lake company has attorneys at Bridgeport.

Q. Do you know of their having them anywhere else?—A. I do not know of their having them in any member of the Naval Committee's district. I understand they have an attorney here in Washington.

Q. Who is he?—A. Ex-Senator Thurston, I believe, represents them here.

Q. Who is the attorney in Bridgeport?—A. Can I consult a gentleman living at Bridgeport, here?

Mr. OLMSTED. Certainly.

A. (After consultation.) I can not tell positively; I am very sure they have an attorney there, but I can not give you his name.

Q. Is there any Bridgeport attorney in Washington to-day who is, so far as you know, now or ever has been an attorney for the Lake Company?—A. Not to my knowledge. I do not know that there is one here.

Q. Right at this point it would be well for us to have in the record, as the chairman suggests, the names of any counsel who are appearing here now on behalf of anybody. Have you any objection to giving the names of your counsel?—A. Not at all. The gentleman on my left is Frank P. Brown, of Norwich, Conn. The gentleman on my right is Senator Stiles Judson, of Bridgeport, Conn.

Mr. LITTLETON. I do not know whether the request made by Mr. Olmsted applies to the Electric Boat Company or not. I suggest to the committeee that John D. Lindsay, 31-35 Nassau street, New York, and Martin W. Littleton, of 60 Wall street, represent the Electric Boat Company here and ask the privilege of appearing.

The CHAIRMAN. Will you give the clerk your Washington address?

Mr. LITTLETON. The Shoreham Hotel.

The CHAIRMAN. Mr. Lilley, can you give the Washington address of the other gentlemen?

Mr. LILLEY. The New Willard.

By Mr. OLMSTED:

Q. You have mentioned, I think, one or two attorneys in Washington as representing, you said, the Lake company. Upon that subject you speak, I understood, of your own knowledge?—A. Yes, sir.

Q. Have they approached you, or attempted to influence you?—A. Never.

Q. Or have you consulted with them?—A. Never.

Q. I mean with reference to anything pending before the Naval Committee or this committee?—A. No; not until after the introduction of my resolution.

Q. What then?—A. I have talked on two or three occasions since that with Senator Thurston.

Q. With reference to this investigation?—A. Such information as I could gain from him, that he was willing to give me.

Q. Did he prepare or assist in preparing any of the statements you submitted to us?—A. The subject-matter of all the statements I have submitted to you has been my own. Mostly formulated in my own mind, after consulting with two eminent Members of the House of Representatives.

Q. Did you consult with Senator Thurston about the form of them or anything about them?—A. No; not as to the form of them.

Q. Or as to the substance?—A. Yes; I have had some conversation with Senator Thurston as to the——

Q. How many consultations, and where?—A. Three—I think three. All at the New Willard.

Q. When were they?—A. Night before last, and two on two other occasions; I can not give you the dates.

Q. We would like to have the dates if you can give them, either exact or approximately.—A. They were, I should say, some days last week, but I can not give you——

Q. In the early or latter part of the week?—A. In the latter part. At least one of the occasions was in the latter part.

Q. Was it before or after the appointment of this committee?—A. One of them was after. I won't be sure about the other at this time. This committee was appointed on Friday?

Q. Yes.—A. I don't recollect having seen Senator Thurston prior to the appointment of this committee, but I won't be sure. I may have.

Q. These conversations were all at the Willard Hotel, I think you said?—A. Yes, sir.

Q. Was anyone else present?—A. Yes; there were two or three others present on the last one.

Q. Who were they?—A. Mr. Judson, Mr. Brown, and a stenographer.

Q. Was there anyone present beside those you have named?—A. Possibly my clerk was there a part of the time—my secretary.

Q. Anybody else—was any member of the Naval Committee present?—A. Oh, no.

Q. Or any other Member of the House?—A. I think not.

Q. When was this particular meeting at which the gentlemen you have named were present?—A. Night before last.

Q. When were the other meetings? Night before last would be Tuesday night.—A. I could not give you the exact dates, I did not charge my mind with that, because I saw no particular importance in that, and I had a right, I supposed, to consult.

Q. Undoubtedly. I wanted to ask you, that was one meeting, and you have stated there were two others; was Senator Thurston present at either of the two others?—A. I have said there were three occasions.

Q. I don't remember that you have stated who was present on those occasions.—A. I stated that there were three times I saw Senator Thurston at the New Willard.

Q. Who was present at those other meetings?—A. Mrs. Lilley, my secretary, I think; there might have been others, but I do not recall at this time.

Q. Conferences on this subject, I mean.—A. Senator Thurston and myself.

Q. No other member of the Naval Committee?—A. Not at that time.

Q. Of the House?—A. I do not recall; I consulted with some Members of the House, but I do not recall that they were present during this call.

Q. Do you mind saying who the Members of the House were?—A. I don't think he was present on either of these times.

Q. Don't think who was there?—A. The Member of the House that I have in mind.

Q. What Member was it that you had in your mind that might have been present?—A. Henry Bannon, of Ohio. I don't think he would object.

Q. Any other one?—A. No.

Q. Mr. Bannon is not on the Naval Committee.—A. Just a friend who lives there in the house.

Q. Was anyone else present at either of those conferences except the gentlemen that you have named?—A. No one was present who took any part in the conversation; there might have been people in and out.

Q. They all took place at the New Willard?—A. All of them.

Q. In what room?—A. In my room and the rooms of my counsel.

Q. How did Senator Thurston come to be present?—A. My impression is that Mr. Neff or Neth, whichever it is, the young man who represents the Lake company, came to me after I had introduced the resolution and asked me if I would like to have a consultation with Senator Thurston, not at my expense, but that he might be able to give me some advice in this matter, and I said to him of course I wanted information from anybody and everybody where I could obtain it. I said, "I have no objection to your giving it to me, or Senator Thurston, or anybody else; I am open to offers of advice, suggestions, and information in regard to this whole subject," and he came there voluntarily.

Q. You say Mr. Neth represented the Electric Boat Company?—A. I expect he does; he is the one I spoke to you about. He is the one who asked me to introduce the substantive resolution.

Q. I think you did inadvertently say electric boat; I thought perhaps we were getting at a trust.—A. I should have said Lake boat.

Q. Then, Mr. Thurston was not employed by you as counsel?—A. No, sir.

Q. But he did, I think you said, assist you in preparing some of these papers that you have submitted to us as statements?—A. He offered some suggestions on them.

Q. What were his suggestions? What were these suggestions which Mr. Thurston made.—A. What is the point?

Q. So far as they are embodied in the papers?—A. What is the point of this, and how is it pertinent to this investigation?

Q. I will ask you, Mr. Lilley, what suggestions of Mr. Thurston's are embodied in this paper of yours?—A. I can not differentiate between the suggestions of Mr. Thurston, or Mr. Brown, or Mr. Bannon, or other people, I discussed the matter with, the subject-matter is very largely my own.

Q. I don't want to go at all into the confidential relation or relations that ought to be considered confidential between you and your counsel. I understand Senator Thurston was not retained by you, and I simply asked what information he gave you—what advice.—A. I can not give you any specific facts or information he gave me.

Q. Did he suggest to you the names of any witnesses?—A. I don't think he did; he may have, but I don't think he did.

Q. From whom did you get the names of these witnesses you have submitted to us?—A. The names of those witnesses were handed to me, I think, by Mr. Neff; either by him or my secretary.

Q. Secretary, Mr. Neff, of whom you have spoken?—A. Yes.

Q. For instance, the name of Isaac L. Rice?—A. Oh, so far as those well-known people in connection with the boat company was concerned, I did not need to have anybody give me a list of them.

Q. At that time, if you will permit me, your present distinguished counsel who are with you to-day were not here when this paper was prepared that you handed us on the 7th of March.—A. If you will hand me that list I think I could tell you what witnesses were given to me by others. [Paper handed to Mr. Lilley.] I didn't know the names of the treasurer and assistant treasurer here, Maurice Barnett and August Treadwell.

Q. Who gave you those names?—A. I think I asked my secretary to find out who the treasurer and assistant treasurer were, and I may have found out directly; I do not recall.

Q. Directly from whom?—A. From Neff.

Q. If your secretary obtained the information, he obtained it from Mr. Neff, I suppose; he did not write the company?—A. I don't know; I assume he did. I think, so far as the rest of them are concerned, those—possibly some of them—were given to me from the same source.

Q. By Mr. Neff or Mr. Thurston?—A. I don't think Mr. Thurston gave me any at all.

Q. Did Mr. Thurston see the list of names?—A. Not to my knowledge.

Q. What suggestions did he make with reference to these papers you have presented to us?—A. What suggestions?

Q. Did Mr. Thurston make these?—A. I do not recall any specific suggestions; that is, I can not differentiate between any suggestions he made or my other counsel.

Q. Let me ask you—that is a question of recollection rather than differentiation—but when you first saw Senator Thurston and he saw you your other counsel were not present?—A. No, sir.

Q. What suggestions did he then make?—A. I understand that I am not on trial here, and how does it affect the investigation of the Electric Boat Company as to where I got information or as to who my counsel were?

Q. We may be investigating two companies before we get through; we want to get to the bottom of this matter.—A. So far as I am concerned, I would be willing to incorporate in my resolution to investigate two or all.

Q. I don't doubt that, but we are called upon to investigate Members of Congress relating to these matters, and I take it that so far as they are concerned——A. If the Lake company are pursuing or have pursued any such methods as the Electric Boat Company are pursuing, I will introduce the same resolution myself to have them investigated; and if it is the desire of this committee to incorporate it, I don't know how to go about it, but I am perfectly satisfied——

Q. We are not finding any fault with you, Mr. Lilley.—A. Then I must decline to explain the preparation of my case.

Q. On what grounds?—A. On the ground that it is not pertinent to this investigation. I will take the responsibility for what I have read.

Q. Did Senator Thurston or Mr. Neff submit to you or give to you the names of any attorneys employed in Congressional districts by any company—districts of the members of the Naval Committee?—A. They did not.

Q. You would not like us to understand, Mr. Lilley, if you were conducting this investigation you would suppress any testimony concerning the Lake Company, would you, or coming from the Lake Company?—A. If you would like to have a resolution before you to investigate the Lake Company, I will introduce it. If you could see that it goes through the Committee on Rules and have it go right along with this, I would be very glad if the committee would like to investigate all submarine companies. If they have done anything wrong, I would like to have them investigated personally. I don't hold any brief of the Lake Company, and I did not understand that they were incorporated in this resolution, but I am willing to incorporate them. If there is anybody connected with the Lake Company that can give you any information toward prosecuting my resolution and bringing out the facts, I want to find him, whether he is an attorney or agent or who he is.

Q. You do not quite understand the point of my question. We want to find out all the things they have suggested. Nobody suggests or suspects or connects you with having any improper relation with the Lake Company or any other company, but Senator Thurston you have named as representing one of these torpedo-boat companies, and Mr. Neff, and if they are improperly influencing Members of Congress in any way—I don't mean to say they have——A. I never saw any of these men until after my resolution was introduced, neither one of them except that a young man some time back wanted me to suggest a motion in substitution of the Loudenslager motion to give open competition in submarines. Those men, neither of them, ever dreamed that I was going to introduce the resolution. I had no consultation with them whatever until after the resolution was in, and then I wanted to get all the information I could get, and anybody that volunteered to give me any information in prosecuting this search, in bringing out the facts in connection with this company, I am ready to take them.

Q. That is what we want exactly; we are in entire harmony, Mr. Lilley; your purposes and ours are the same.—A. All that I can give you is here; the subject-matter upon which this resolution is drawn up and those charges are made is mine.

Q. I think our purposes are in entire harmony, Mr. Lilley.—A. I trust so.

Q. I would like to inquire now, Mr. Lilley, what information, if any, you got from Senator Thurston. I do not mean you drew it from them, but what they suggested to you, Mr. Thurston or Mr. Neff, relating to these attorneys or any attorneys employed by any torpedo-boat company in any district of any member of the Naval Committee.—A. I got no information from those gentlemen in regard to any attorneys employed in Congressional districts or districts of men serving on the Naval Committee.

Q. Have you any communication in writing from anyone that would help us by throwing any light on the subject?—A. I have no communication in writing other than that printed matter by Judge Gordon which I placed in here. I have a confidential letter from Judge Dayton, who was formerly a member of the Committee on Naval Affairs, but I would not care to disclose that in open session. That is a matter given me in confidence.

Q. I think you spoke of something as coming from some company out West?—A. Gordon has never——

Q. Was it a letter from him?—A. I had no letter from Gordon.

Q. Have you had a letter from anybody in the West? I thought you had a letter from somebody out there mentioning Gordon.—A. No; I had a letter from somebody out there who claimed to have a better submarine than any that were in existence and wanted to put it before me as a member of the Naval Committee—a newer and better improved submarine.

Q. What company was that?—A. I don't know, and I don't know that I have the letter. It was nothing that would have to do with this investigation at all. I don't think it was a company; I think it was an individual.

Q. Did he mention any improper practices on the part of the Electric Boat Company?—A. Oh, no; not at all.

Q. Did you have a letter from any other company?—A. No; no letter from any other company. If you mean by that if I heard from the Lake people or Simon Lake or any of those people—is that what you are driving at?

Q. Yes.—A. That is what you want to know; I have not seen or heard from any of them.

Q. I didn't have them in mind, but I had these others——A. I have had no communication, nor have seen any of the Lakes, father or son, J. C. or Simon.

Q. Have you had any complaints in writing from anybody about any of these companies, about the Electric Boat Company or anyone?—A. Since I have introduced the resolution I have some.

Q. Before?—A. Complaint about them?

Q. Yes; about their methods, about anything that we are to investigate.—A. I do not recall having any complaints; we talked it over among ourselves on the committee.

Q. I mean in writing, communications?—A. No, sir; Members of the House and members of the committee have talked over it at various times, submarine matters. Is that what you mean?

Q. I mean whether you have had communications with parties outside of the House.—A. From the Lake or some other torpedo boat companies?

Q. I mean from anybody with reference to improper conduct on the part of the Electric Boat Company.—A. I have had no such communications.

Q. Have you the names of any other witnesses than those you have given us in the city here outside of the list that you have given us?—A. You could secure Mr. Frost very quickly.

Q. We have his name. I mean outside of the list you have given us.—A. Here in the city?

Q. Yes.—A. I don't recall any at present.

Q. I would like to ask you a few questions about this list. The first name you give us in your letter which you presented to us at our first meeting is Isaac L. Rice, whom you ask us to subpœna and "to bring with you all books of account concerning the names of attorneys and employees." You do not give us his address, nor where he lives, nor who he is, nor what he is doing, nor showing any relation between him and anything before us. Will you now state who Mr. Rice is?—A. President of the Electric Boat Company.

Q. Where does he live?—A. I haven't that with me.

Q. You know the city?—A. I think he lives in New York City.

Q. The statement you gave did not even give the city or State.—A. I will procure it.

Q. Now, then, Elihu B. Frost—I think perhaps you stated that to-day.—A. He is at the New Willard.

Q. Where does he live?—A. I think he lives in New York.

Q. Do you know where his office is?—A. No, sir; I do not.

Q. Barnett, where does he live?—A. I assume that he lives in New York. He is a director of the company.

Q. Probably has his office at the same place Mr. Frost has his?—A. I will give you all that information.

Q. And also Mr. August Treadwell, jr.?—A. I will give you his address.

Q. And Mr. Johnson, you have given us his address.—A. I might suggest that Captain Hobson is near by and does not require a subpœna.

Q. We have his address; you mean a Member of Congress?—A. Yes, sir.

Q. Mr. Lilley, you have testified to-day substantially, as I understood it, that you make no charges and have no knowledge of improper conduct on the part of members of the Naval Committee or of the House?—A. I do not make any charges against any Member of the House or Naval Committee.

Q. One or two matters in your statement before the Committee on Rules which might seem to require a little correction or explanation, in view of the statement you have just made. For instance, you say—I read from page 6 of the Report No. 1168, being report of this resolution, this language:

> I think the membership of this House is of the very highest quality; that they are the best men usually in the districts from which they come, but when the flock of 300 meets here it would be strange if there were not some sheep in it that had the foot rot or scabies.

What do you say as to that, and what is intended by it, and what are we to infer from it?—A. You infer from that that if there are any diseased members in the flock, if there are any goats among the sheep, that it would be a good idea to eradicate them. I don't say that they are there, but I say that if they are there.

Q. You do not mean, then, to apply that to anybody in particular?—A. No, sir.

Q. A general proposition that if there are any of that kind of people there they ought to be looked after?—A. Yes, sir.

Q. Mr. Lilley, the newspapers have printed a good many articles with reference to your position and the committee's position and the Naval Committee's position and the House and all that, to which we have given no attention; but I hold in my hand the New York Sun of February 21. On the third page, the first column, there is a reference to yourself which I will give to you and ask you to read, and ask whether you would like to have it go on the record of this hearing, with any statement you wish to make concerning it.—A. This is the first time I have ever seen this. I do not desire to make any comment upon it; that is nothing that I have authorized. I do not vouch for the truth of newspaper articles, especially if they are written 300 miles away.

Q. I am assuming that it is not true.—A. You are assuming correctly.

Q. We will not put it in the record unless you desire to have it and make some explanation of it.—A. No; I can not make any comment on it whatever. I have one in view of what has been said along the line of rival companies. Here is an interview I would not object to going on the record—the New York World of Monday of this week.

Q. Let us see it. [Article handed to the committee.] We do not care to put any of this in unless you wish to have it.—A. Oh, I don't care, unless counsel think I had better. It explains my position in regard to the two submarine companies. I think I would like to put it in.

Q. Just as you like, Mr. Lilley. If it is agreeable to the committee it may be inserted.

Mr. BROWN. What is the importance of incorporating this on the record, I do not see it contains any information of importance to the committee and simply burdens the record.

The CHAIRMAN. The committee will be governed solely by Mr. Lilley's request.

Mr. LILLEY. All I will say is that this interview was offered and I will vouch for what it says.

Mr. BROWN. You have stated it to your satisfaction to-day.

The CHAIRMAN. The committee will take a recess until a quarter past 2.

(Thereupon the committee adjourned until 2.15 o'clock p. m.)

AFTERNOON SESSION.

The committee met at 2.15 o'clock p. m.

All members of the committee were present.

Hon. George L. Lilley resumed the stand for further examination.

The CHAIRMAN. The committee will be in order.

TESTIMONY OF HON. GEORGE L. LILLEY—Continued.

By Mr. OLMSTED:

Q. Mr. Lilley, I notice that in your statement before the Committee on Rules, which has been repeated here, you say that a certain amendment to the appropriation bill of March 2, 1907, was prepared and drafted by the attorney for the Electric Boat Company

for the purpose of and with the intention to eliminate competition in submarine construction and prevent the Secretary of the Navy from exercising any discretion in letting contracts for submarines. Will you give us the name of that attorney?—A. That came to me through one other party, from Marion Butler. Summon him and you will be able to prove that.

Q. Who was the one other party?—A. I don't think the other party would object to my saying it was Mr. Thurston.

Q. The same Mr. Thurston you mentioned?—A. Yes, sir.

Q. When did Mr. Thurston give you that information?—A. It was after I introduced the resolution, but I can not tell the exact date.

Q. It was presumably between the time the resolution was introduced, February 20, 1908, according to the record here, and you appeared before the Committee on Rules Tuesday, February 25.—A. It was between the time of introducing the resolution, I should say, and the time I appeared before the Committee on Rules.

Q. Did he give you any other information that will be of use to us in this inquiry?—A. I don't know.

Q. Or any information at all which might aid us?—A. I don't really recall just what information I did get from him; I got information from various sources; I don't think I would be able to differentiate what I got from him and other people.

Q. Have you any objection to naming the other people?—A. I could not name all the people to you that I have heard tell of the doings of the Electric Boat Company.

Q. Where did Senator Thurston give you this information; I mean where were you at the time and where was he?—A. He was in my room at the Willard, as I recall.

Q. Did he assist in preparing this statement which you submitted to the Committee on Rules?—A. To some extent.

Q. A further suggestion "that a thorough investigation by an impartial committee will show that large sums of money have been by the Electric Boat Company, its officers or agents, contributed to campaign funds of Members of Congress who have favored and favor the Electric Boat Company's monopoly of submarine construction; also that large sums of money have been spent to accomplish the defeat of members of the Naval Committee who did not favor the Electric Boat Company." Is that or not understood to be stated upon your own knowledge?—A. I do not state that upon my own knowledge.

Q. Is that stated upon information derived from Senator Thurston?—A. I think not. I do not recall that he ever made any statement of that kind.

Q. I will ask you one question: So far as you know, have any such sums been spent either to elect or defeat yourself, you being a member of the Naval Committee?—A. I do not claim that any money has been expended by them to either elect or defeat me.

Q. I just asked because of the suggestion in your statement to the Committee on Rules in general.—A. It is a general statement based on various rumors that I have heard for the last several years. The Gordon matter is not a rumor; and I think a very large membership of the House, if they recall the time Judge Dayton was on the committee, that he freely expressed to his colleagues that he believed

that they spent a very large sum of money to defeat him on one occasion.

Q. How long ago was that?—A. It was back of my going on the committee. The person had retired the time I was on.

Q. It has no relation, then, to the present Congress at least?—A. No; I am not basing these charges upon the present Congress alone. My resolution covers the scope of the Electric Boat Company's and the Holland Boat Company's existence.

Q. The resolution as reported by the Committee on Rules seems to refer to the Members of Congress, from which we infer that the present Congress, at all events——A. That does not seem to bear much relationship to the resolution that I introduced.

Q. There are some points difference.—A. My resolution asks for an investigation into the methods of the Electric Boat Company and their predecessor, the Holland Boat Company, in procuring past and present legislation. The Committee on Rules' resolution is right to that exent, and then goes on and says something about charges against Members of Congress. I have preferred no charges against Members of Congress in my resolution.

Q. You have made no charge of that kind with reference to the present Congress, and have no knowledge of anything of that kind relating to Members of the present Congress?—A. No, sir; I have not.

Q. Or in reference to members of the present Naval Committee?—A. I made no accusation in reference to members of the present Naval Committee.

Q. Mr. Lilley, I will ask you the general question whether you have any further knowledge of your own which would tend to support any of the allegations that you have made before us or in the subject matter of our inquiry? I will ask you first whether you have any further knowledge that you would like to state to us, or can state to us, that will aid us in this inquiry?—A. Do you mean by that any information than what I directly know?

Q. Yourself.—A. I do not recall anything further.

Q. Then I ask you, further, whether you have any witnesses in addition to those you have already named to us?—A. Oh, yes; I should like to give you a list, not at this time, but I should like to give you a list of witnesses from time to time as the investigation progresses.

Q. You have no further names at this time?—A. Not at this time.

Q. Then, by way of conclusion, we are to understand that we now have all the facts of which you have personal knowledge, and the names of all the witnesses that you care to submit at this time?—A. Yes; if you exclude information from others.

Q. There were some addresses you were going to give us—I think the names and addresses of the lawyers of the Lake company in Connecticut; do you have those addresses yet?—A. I do not have it; I shall have to ascertain that. I don't know certainly that they have got any, but I will ascertain and give you the address.

Q. Can you give us the name and address of Mr. Neff; do you know how he spells his name?—A. It is either N-e-f-f or N-e-t-h. I don't know where he lives nor what his initials are. I could tell you who would know; Congressman Bates would know; he was formerly his secretary, I believe.

Q. Mr. Lilley, I did ask you concerning a written communication. Will you make search and ascertain and advise us if you have any written communications from any parties whatsoever concerning the methods of these electric boat people?—A. I get anonymous letters or letters from people I don't know, and I throw them in the waste basket. I get some evidently from cranks and some from crazy people and some from people who claim to know a great deal. I have got some letters from people who told me that they could give me a lot of information if I will come where they are or pay their expenses here, but I have not kept those letters. I see some on my desk now, during the recess; a very long letter. I asked my clerk, and he said that it was from some crank, he guessed. It was nothing material. I will show those letters if you would like to have me and give them to you daily; they come in every day.

Q. I refer particularly to communications received, if any, before the introduction of your resolution, and from parties whom you know or have reason to believe are reputable people?—A. I haven't received any communications at all. I haven't received any letters.

Q. On page 5 of the report of the Committee on Rules accompanying the resolution, you are reported to have said, "they"—by whom I assume you meant the Electric Boat people—"they are using wrongful methods in most every member's district who serve on the Naval Committee." I will ask you just generally whether you have laid before us and described these wrongful methods so far as you know, or whether there are any other wrongful methods of which you have knowledge?—A. Methods I have referred to are such as were brought to bear on Representative Loud and myself, from newspaper writings and general information, but I don't know of my own knowledge.

Q. I mean other methods than the kind you have described in the testimony and in the papers you have submitted?—A. No, sir: I do not recall any.

Q. I ask you whether you know of any other wrongful methods other than the kind of methods you have already described to us orally or in these papers you have submitted?—A. Not of my personal knowledge.

Q. Mr. Lilley, you have already stated that you have no other names of witnesses to suggest at present. But I desire to ask you, and perhaps I did not make myself plain, if you have in your testimony to-day and in your written statement here and before the Committee on Rules suggested certain methods of procedure by the Electric Boat Company people, improper, wrongful methods, they are termed. But what I wish now to ask is whether you have any reliable information of any other methods than those you have enumerated to us?—A. None of a different nature.

Mr. HOWARD. Has he any other additional facts?

Mr. LILLEY. Not of my own knowledge.

By Mr. OLMSTED:

Q. Have you at this time, Mr. Lilley, any trustworthy information which would lead to the suggestion of other witnesses whom you think we ought to subpœna?—A. I could give you a number of names that I would suggest that this committee should call from time to time as the investigation goes on; I haven't any here now. That is not by any means the number of witnesses that I would call

if I were going to dig down deep; a very large number of names could be added to that list, I think, as the trial progresses.

Q. We expect to dig to the bottom.—A. I will be very pleased to hand you names from time to time whom I believe you will suc eed in getting a good deal of information out of, a good deal of light, but I have no one to suggest now, that is, no one to suggest just at the moment, but I would be very glad to give you a list of names that I feel quite sure would throw a good deal of light on the subject.

Q. We want to say, Mr. Lilley, that we propose to dig as deep as any of these submarine boats dive.—A. That won't be very far, I guess, with some of them; they do not dive far, I think.

Mr. OLMSTED. I have no further questions, Mr. Chairman.

The CHAIRMAN. I see Captain Hobson has come into the room. Have you any other engagement, Captain, that you would like to get away from here for? We have a question we would like to ask.

Captain HOBSON. No; I am at your service, sir.

TESTIMONY OF CAPT. R. P. HOBSON.

Capt. R. P. HOBSON, having been first duly sworn, on being examined, testified as follows:

By Mr. OLMSTED:

Q. Captain Hobson, you are a Member of the present House of Representatives of the United States?—A. Yes, sir.

Q. From what State and district?—A. From the Sixth district of Alabama.

Q. State whether or not you are a member of the Naval Committee.—A. I am.

Q. Let me ask, is this your first term in Congress?—A. Yes, sir.

Q. You have probably read in the printed report of the Committee on Rules, which accompanied the resolution of inquiry upon which we are now proceeding, this paragraph, on page 9:

> One of the Members that went on this year said that representatives of the Electric Boat Company came to him and said they had influence and could get him on the committee, and the man did get on the committee, although he told them at the time they said this to him, that he did not care for any of their help. He is not one of the Members that voted for the motion, either.

It has been testified here to-day that you were the Member referred to and have you any statement to make in that connection as to what occurred, would you like to have the matter before you?—A. No; I think not, sir. Of course I would prefer to answer directly questions that might be asked that could be answered with yes or no, or some similar answer, but if you wish me, I will recite substantially the——

Q. Did you make such a statement to Mr. Lilley?—A. I said something like that to Mr. Lilley.

Q. Will you state whether or not some person claiming to be a representative of the Electric Boat Company did approach you in the manner named?—A. Yes.

Q. Who was the party?—A. Lawrence Spear.

Q. Will you kindly relate what he said to you, or, first, where did he find you?—A. In Washington. It was in November, if I remember correctly. I was recovering from the grippe at the time and was at my house and Mr. Spear saw my secretary first and my secretary

reported to me and then, while I was still in the house, he called up over the phone and it was over the phone that he spoke to me directly.

Q. Had he previously written or attempted to make any appointment with you?—A. Yes.

Q. Would you mind stating whether there was anything in the letter more than a desire to meet you; did he state whom he represented?—A. He said, in effect, that there was a matter of mutual interest about which he wished to confer with me.

Q. Have you retained a copy of the letter, or retained the letter?—A. I don't know whether I have or not, sir; I think I turned it over to my secretary to acknowledge. I think I was in bed at the time and my secretary may have; I don't know whether he did or not. I can probably catch him in the room now.

Q. You need not take the time to telephone to him now. If you find that you have it, will you let us have it?—A. Yes; I will give it to you.

Q. And the answer thereto?—A. I don't remember what the answer was.

Q. You probably have a copy of it?—A. I do not know whether my secretary kept a copy or not. In fact, if I remember correctly, I simply instructed him to tell Mr. Spear I would be glad to see him at any time that I could.

Q. When he called, if I correctly understood you, he did not see you?—A. No.

Q. Then he called you up by telephone?—A. Yes, sir. If I remember correctly it was several days later. I was convalescing the second time; I was nearly well when I had the conversation with him over the phone.

Q. What did he say to you over the phone?—A. He said substantially this: That he understood I wanted to get on the Naval Committee and that his company would be able to help me; would have influence to bring that about if I stood right on submarines.

Q. Did he say influence with whom?—A. Yes, sir.

Q. Whom did he say?—A. I would rather not tell that, sir, unless you insist.

Q. We would like to have you state, Mr. Hobson.—A. He said with the Speaker.

Q. Did you know Mr. Spear before this?—A. Yes, I have known him for years.

Q. Did you know him to be connected with the boat company?—A. Yes.

Q. In what capacity?—A. I do not know the technical name for his office, but my understanding is that he is there in the capacity of naval architect. That is merely my impression—these years that he has been with them in the capacity of naval architect.

Q. Will you state what further conversation there was?—A. Well, there was not much further conversation; I do not remember that he said anything very much further.

Q. Did he seem to understand how minority members secured places on the committees?—A. I think he did. I do not remember whether it was to me or my secretary that he said that I would have to look out for Mr. Williams, but I can tell whether it was myself or my secretary by sending for the secretary; but it is immaterial, I think.

Q. But the idea was that if you secured the support of Mr. Williams——A. That he would do the rest.

Q. As a matter of fact, Mr. Williams is a Member of Congress from Mississippi?—A. Yes, sir.

Q. He was the candidate of the Democratic party for Speaker of the present House of Representatives?—A. Yes, sir.

Q. And becomes by virtue of that fact what is known as the minority leader?—A. Yes, sir.

Q. And the naming of the Democratic members of committees was left to him by the Speaker, was it not?—A. I understand so.

Q. Then, if Mr. Williams was in your favor, the electric boat people would not have much difficulty with the Speaker, would they?—A. I do not think so, sir; I do not think they would have any with the Speaker. I want to be accurate in that statement; he did not say "they will do the rest."

Q. I understand that was the substance of it.—A. That they would use influence.

Q. Provided you got Mr. Williams?—A. They did not say provided; they told me; they left word for me to get the support.

Q. Told you to secure the support of Mr. Williams?—A. Yes, sir; something to that effect.

Q. What did you tell Mr. Spear then?—A. I told him that I did not want the influence that his company had.

Q. In other words, you declined the favor that he offered you?—A. Yes, sir.

Q. And, of course, you made no promise to support any naval proposition that he might have to offer?—A. No, sir.

Q. Can you be perfectly sure that it was Mr. Spear talking to you over the telephone?—A. Yes, sir.

Q. You are perfectly familiar with his voice?—A. Yes, sir.

Q. Can you give the date when it occurred?—A. I do not believe I can just now; I can by refreshing my memory, I think. I think my secretary could enable me to say the date.

Q. Can you give it approximately?—A. Approximately, I should say, roughly, along about the third week in November, I think. If I remember correctly it was on Sunday.

Q. Mr. Hobson, you are a member of the same political party as Mr. Williams?—A. Yes, sir.

Q. And you knew at the time Mr. Spear was trying to secure your friendship in that way—you knew how Members of the minority party secured places on the committees, did you not?—A. I had some ideas on the subject as a result of what had been told me, that except in exceptional cases the Speaker would abide by the recommendations of the minority leader of the minority Members.

Q. You were not one of the exceptional cases, were you, Mr. Hobson?—A. I did not see any reason why I should be.

Q. You were appointed by the Speaker on the recommendation of Mr. Williams, as a matter of fact?—A. I think so.

Q. And you did not require Mr. Spear's aid, nor anybody else's; that is a fact?—A. That is a question I can not answer.

Q. As far as you know; you did not take it anyway; you declined it?—A. Yes.

Q. Your appointment on the Naval Committee, was it or was it not obtained in the usual way that minority Members secure appointments—that is, by themselves and their friends securing the recommendation of Mr. Williams?—A. Well, I do not think it was that way. I made an official application to Mr. Williams and to the Speaker,

and I think that was all. I do not remember having urged my case to the minority leader and I do not know whether my friends did, but it was known among my friends and generally that I wanted that committee.

Q. Who was your predecessor in Congress from your district?—A. Mr. Bankhead.

Q. Was he a member of that committee?—A. No, sir.

Q. You have related then the substance of what you said to Mr. Lilley?—A. I really do not remember what I said exactly to Mr. Lilley, but it could not have been very far different from that. It was the first time I ever met him, one night on the sleeper.

Q. You have related substantially what occurred between Mr. Spear and myself?—A. I think so, I do not know whether I went as much in detail, but as I remember we struck a cord at the first time we met in the smoking room before we met about this company.

Q. I am speaking about Mr. Spear now.—A. I do not think I mentioned Mr. Spear's name.

Q. I mean you have related what occurred between you and Mr. Spear over the telephone?—A. I do not quite understand.

Q. You have related what occurred between yourself and Mr. Spear over the telephone?—A. Yes. I understood you to ask me what my conversation between myself and Mr. Lilley was.

Q. I understood you to say you have given us substantially, though perhaps not in as great detail?—A. Yes, sir.

Q. Have you seen Mr. Spear since?—A. Yes, sir.

Q. When?—A. I do not remember exactly, perhaps a month ago.

Q. Do you know where he is now?—A. No, sir.

Q. Do you know his present address?—A. No.

Q. You gave his first name, did you not?—A. Lawrence.

The CHAIRMAN. Mr. Littleton, one of the counsel present, submits the following question he would like to have asked the witness:

Q. Has Mr. Spear been a schoolmate of yours?—A. Yes, sir.

Q. How long have you known him, and where?—A. I have known him since 1886, have known him three years at the Naval Academy and been thrown in touch with him in a casual way now and then ever since.

Q. What has been your relation with him?—A. That of the usual cordiality that there is between officers who have been at the Naval Academy together and who have been in the same corps. He was in my same corps—Construction Corps—a long time.

By Mr. OLMSTED:

Q. Is Mr. Spear now in the Navy?—A. No, sir.

Q. You have stated his occupation, I believe?—A. Yes, sir.

HON. GEORGE L. LILLEY—Recalled.

By Mr. OLMSTED:

Q. It has been suggested, Mr. Lilley, to ask you whether you have any questions that you wish to ask Captain Hobson?—A. No; I haven't any.

Q. Mr. Lilley, since the recess have you been able to secure the address of Isaac L. Rice?—A. No; I have not made any attempt to look it up. I will be glad to give you that to-morrow if I can ascertain it.

Q. You will give us those addresses then. I have nothing further.—A. I wish to refer to a point upon which I was examined at length in the early part of this examination. I was inquired of whether the effect of what I stood for in the committee was in the interest of the Lake company. I replied that I had no concern as to which company got the contract, that I stood for open legislation in order to produce the best results. What I intended by that was that the effect of competition regardless of which company was the successful one would be of advantage to the Government in two respects; first, that the best boat would be procured by the most competent judges; and, second, the competition itself would produce reasonable prices.

Q. I think we drew that conclusion from your testimony.

The CHAIRMAN. Is there any one present who is interested in this investigation and wishes to propound any question to be asked of Mr. Lilley? (No response.)

The CHAIRMAN. If no Member of the House and no counsel wishes to propound any questions to Mr. Lilley and Mr. Lilley has no further statement to make that will conclude his evidence for the present. The committee had letters from Butler and McNeir asking the privilege of appearing and testifying. If either of these gentlemen are present—I do not know either of them by sight—the committee will be glad to give either one of them an opportuntity to testify. (No response.)

The CHAIRMAN. Are any counsel present counsel for any of the witnesses who have been named in this list?

Mr. LITTLETON. That rather requires an answer from us; yet it is not true that we are counsel for any person with witnesses. There are persons whose names have been given to the committee who are officials of the company which we represent; of course we represent them only to the extent of protecting any interest we are allowed to under this rule.

HON. GEORGE L. LILLEY, Recalled.

By Mr. OLMSTED:

Q. Mr. Lilley, there is one matter I forgot to ask about; perhaps it is unnecessary. The chairman, by direction of the committee, addressed a communication to you with reference to the shadowing by detectives. We were not sure what jurisdiction this committee might have over the matter, but if in any way relating to proceedings before the committee possibly we have jurisdiction, we shall be glad to stop those people. If it had relation to yourself as a Member of the House, that would be a matter as a Member of the House. The chairman has received no reply, and we merely ask whether you have anything further on that subject that you would like to say to-day?—A. I have had a very large number of men shadowing me since the resolution was introduced; had a man standing here at my door daily in this Office Building and two more usually at the entrance—frequently ran into three here. I have become so familiar with them, they have been at it so long; and at the New Willard Hotel there has been no less than three there, so the house detective tells me—that is, the New Willard house detective tells me there has been from three upward there. The detective at the House of Representatives says there has

been at least six in there. Now, I cared nothing for this personally until they began to shadow my family; then I naturally took an interest in it, and I think Major Sylvester sent word to the house detective at the New Willard the other day that he would take care of it himself if I would like to have it—he would arrest them. The only object in wanting that subpœna is to have them tell this committee who is hiring them. I think it would be important for the committee to know who thinks it is necessary to hire from six to twelve men to shadow me. In all of this I can only imagine that it comes from one source. The president of that company has said in print he welcomes an investigation. Mr. Rice made the statement, the morning I think after my resolution was introduced, that he welcomes an investigation, and proceeded immediately to put from six to a dozen men shadowing me. I suppose that is where they come from. That is why I wanted them; but the annoyance is passed, and I do not personally care anything about it now.

The CHAIRMAN. They are not now hampering you to-day in the discharge of your duties as a Member of the House?

A. They are not.

The CHAIRMAN. Because, as I wrote on behalf of the committee, a Member of the House of Representatives in the discharge of his official duties, and particularly in the course of an investigation of this sort, is entitled to all the protection that the House of Representatives can throw around him. The entire machinery at the disposal of the House will be set in motion to see that you and every other Member is protected in the full and free enjoyment of his privileges and prerogatives as a Member and as a witness before this committee.

A. So far as I have been personally concerned I have not been annoyed; I don't care anything about it. I suppose the purpose is to see who comes and goes from my room, or where I come and go to, but I have had nothing to conceal at any time; Mr. Thurston has been there two or three times, three times; I do not care to conceal it from anyone; there isn't anything that I desire to conceal; on the contrary, I want the fullest light on my actions and my motives and my purposes, as well as on everyone else's that is connected with this investigation.

The CHAIRMAN. The immediate annoyance has now ceased?

A. It is past.

The CHAIRMAN. Mr. Gregg, a Member of the House, would like to testify.

Mr. GREGG. I would like it understood Mr. Lilley said something this morning that he knows as much about as anything else he talks about.

TESTIMONY OF HON. A. W. GREGG.

Hon. A. W. Gregg, being first duly sworn, on being examined, testified as follows:

The CHAIRMAN. On behalf of the committee I will ask Mr. Broussard to ask questions that may be necessary.

Mr. GREGG. I want to explain, Mr. Chairman, if you will excuse me, I had no idea of appearing as a witness, but I was told that Mr. Lilley said that there was an attorney from my district representing this company here in Washington. I just want to say that is made out of the whole cloth. There is not a word of truth in it, absolutely.

By Mr. BROUSSARD:

Q. Is there a man by the name of Coward living in your district who is an attorney?—A. No, sir; there is a Coward here that I understand is the representative of the Dallas Commercial Club on the Trinity River project and lives in Dallas, 200 miles from me.

Q. Is he in Washington now?—A. I think he is; yes, sir. He went home—yes, he is here now.

Q. What are his initials; what is his name?—A. R. B. Coward, I think. His son, Robert Coward, is one of the employees on the floor of the House.

Q. Did Mr. Coward ever approach you on the subject of these torpedo boats with reference to your connection with the Naval Affairs Committee of the House?—A. He never has, never asked me to vote for him or against him. I have had conferences with Mr. Coward in reference to river projects.

Q. I mean about this matter we are investigating now.—A. No, sir; never has.

Q. Does he live in your district?—A. No, sir; lives 200 miles from my district.

Q. Has anyone else from your district ever approached you with reference to this subject-matter?—A. No, sir; I do not suppose anybody else in my district knows anything about submarine boats.

Q. Has anybody outside of your district, Mr. Gregg, ever approached you in reference to this matter?—A. No one. The only approach I have ever had, if you can call it an approach, is literature through the mails.

Q. No individual has ever spoken to you in reference to it?—A. Oh, I may have discussed the submarine question with different men, but I mean as to what I should do on the committee; nobody has ever mentioned anything to me; no one has ever tried to influence me to vote for or against any of these measures.

Q. How long have you been in Congress?—A. I came in the Fifty-sixth Congress.

Q. How long have you been on the Naval Affairs Committee?—A. I was put on the Naval Affairs Committee in the Fifty-ninth Congress.

Q. You have had this subject before your committee on two occasions, then, since you have been there?—A. Yes, sir; two or three occasions.

Q. Two or three occasions?—A. This is the third time, I think.

Q. Has anyone ever contributed in anyway toward your campaign committee that is in anyway connected with this company?—A. Nobody. My campaign expenses usually amount to about $69 or $70, and I pay them myself every time.

Q. Has anyone connected with this company exerted any influence or claimed to exert any influence with reference to securing your appointment on this committee?—A. No, sir; nobody ever claimed anything of that kind. In the matter of appointment the Texas delegation agree with different members of the committee; I mean the different members of the delegation have different assignments on the various committees; and they went to Mr. Williams, the whole delegation—say, I will be on Naval Affairs, the whole delegation would go to Mr. Williams and divide up all the committees they want, and the whole delegation work to secure the appointment of various members in that way.

Q. That is the usual method pursued?—A. That is the usual method with us, I think it is with all the delegations; yes, sir. I will state that Mr. Coward is the only man in all this that I am even acquainted with whose name I have heard mentioned in connection with these things. Now, I met Mr. McNeir two or three years ago, but I don't think I have seen him since. If I have, I don't remember it. I met him casually, and I don't know what it was about now. I had even forgotten his name until it was brought up in some statement here.

Q. Were appointments to committee of Texas Members of Congress along the lines of the delegation?—A. That is the way we have always secured them; yes, sir.

Q. Were they all made that way?—A. Yes, sir; every one that I know anything about was made that way. I know we had to have a caucus this last Congress.

Q. Whom did you present your recommendations to?—A. Mr. Williams. Never heard of going to the Speaker at all, or any of them.

The CHAIRMAN. The committee has no questions to ask.

Mr. GREGG. Anybody else?

The CHAIRMAN. If there is no one else here ready to testify, no one except the witnesses who are to be subpœnaed, the committee will take a recess in public hearings until next Monday morning.

(Thereupon the committee adjourned until Monday, March 16, 1908, at 10 o'clock a. m.)

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE APPOINTED UNDER H. RES. 288,
Monday, March 16, 1908.

MORNING SESSION.

The committee met at 10 o'clock a. m., Hon. H. S. Boutell (chairman) in the chair.

All members of the committee were present.

The CHAIRMAN. The committee will be in order. The clerk will put on the record the resolution of the committee adopted last Friday afternoon:

(The resolution referred to is here printed in full, as follows:)

Resolved, That the Speaker be requested to issue subpœnas, returnable March 16 next, at 10 o'clock a. m., for Marion Butler, C. E. Creecy, E. W. Creecy, F. P. B. Sands, all of Washington; Dr. W. R. Kerr, of Chicago; Frank L. Edinborough, of Bay City, Mich.; and W. D. Gordon, of Midland, Mich., all of whom Mr. Lilley has asked to have summoned as witnesses in support of his testimony; and for ex-United States Senator M. C. Butler, mentioned by Mr. Lilley as an attorney of the Holland Company in his statement before the Committee on Rules; and

That Mr. Lilley be given the opportunity to prepare or have prepared by counsel subpœnas duces tecum, in such form and covering such books, papers, etc., as he may deem competent, for Isaac L. Rice, Elihu B. Frost, Maurice Barnett, August Treadwell, jr., Norman C. Johnson, and C. S. McNeir; that the chairman be directed to furnish Mr. Lilley blanks for such subpœnas, and to advise Mr. Lilley that so soon as said subpœnas duces tecum shall be received from him they will be placed in the hands of the Sergeant-at-Arms for service, returnable at an early day.

The CHAIRMAN. In accordance with the instructions of the committee, the following letter was sent to Mr. Lilley Friday afternoon:

(The letter referred to is as follows:)

MARCH 13, 1908.

Hon. GEORGE L. LILLEY,
House of Representatives.

DEAR SIR: The committee wishes to proceed next Monday morning with the examination of as many of the witnesses whose names have been given by you as can be heard.

I am inclosing herewith blank forms of subpœna. Will you kindly have filled out, with the aid of your counsel, the subpœnas duces tecum, so that the books, papers, and documents which you think essential shall be included, and that nothing that you wish may be omitted. So soon as I receive these subpœnas from you, filled out as you desire, I will see that the Sergeant-at-Arms takes immediate steps to serve them, so that the witnesses, or most of them, may be in attendance next Monday morning. All witnesses against whom you have not requested subpœnas duces tecum will be summoned at once by the committee.

Respectfully,

H. S. BOUTELL,
Chairman Select Committee.

The CHAIRMAN. The Sergeant-at-Arms reports that he has served the subpœnas, returnable this morning, on M. C. Butler, F. P. B. Sands, C. E. Creecy, Dr. W. R. Kerr, Marion Butler, and E. W. Creecy.

General BUTLER. I am M. C. Butler. I am very anxious to leave the city. Most of these gentlemen, I believe, live here, and I should

like to be examined as early as possible. I have been detained here two or three days longer than I expected.

The CHAIRMAN. The committee will take General Butler's request in consideration and we will call him as the first witness, so that he may be detained as short a time as possible.

This morning Mr. Lilley has furnished the committee with the five subpœnas duces tecum referred to in the letter, which will be placed in the hands of the Sergeant-at-Arms for service, returnable at some future date, when it will be possible for the witnesses to attend and for the committee to hear them, taking into consideration its other business and the witnesses here in Washington.

The committee would then ask Gen. M. C. Butler to take the stand and be sworn. I will ask Mr. Howard, of the committee, to conduct the examination of General Butler.

TESTIMONY OF GEN. M. C. BUTLER.

Gen. M. C. BUTLER, being first duly sworn, on being examined, testified as follows:

General BUTLER. Mr. Chairman and gentlemen, before beginning my own examination I would like to be allowed, on my own motion, to make a statement on behalf of Eppa Hunton, whose name has been drawn into this matter. He is very old and very infirm, almost blind and very deaf, and not able to come here. He served, I think, eight years in the House as chairman of the Committee on the District of Columbia. I served with him five years in the Senate. He was the unanimous choice of the House and served on the Federal Commission, and I do not suppose there is a more honorable man in the United States. I wanted to make that statement in his behalf before I proceeded with my own.

The CHAIRMAN. Without objection, the statement of General Butler reminds the chairman of a letter received from Eppa Hunton, jr. The clerk will now read it:

(The letter referred to is as follows:)

RICHMOND, VA., *March 9, 1908.*

Hon. H. S. BOUTELL,
Chairman Investigating Committee,
House of Representatives, Washington, D. C.

DEAR SIR: I see from the press that the name of my father, Gen. Eppa Hunton, has been mentioned in connection with the charges made by Representative Lilley against the Holland Electric Boat Company. My father's extreme age, being now nearly 86 years, makes it impossible for him to go to Washington to appear before your committee. His sole connection with the Holland Boat Company was that at one time, a number of years ago, he was employed as counsel by it.

In the second session of the Fifty-seventh Congress there was an investigation before the Committee on Naval Affairs growing out of the Holland boat matter. Before that committee my father voluntarily appeared without having been subpœnaed and made a statement. I write to request that that statement of my father, in view of the facts stated above, be accepted as his statement in the present investigation.

Very truly, yours, EPPA HUNTON, Jr.

The CHAIRMAN. Now, Mr. Howard, if you will proceed with the examination of General Butler.

By Mr. HOWARD:

Q. General, will you give the stenographer your name and place of permanent residence?—A. My name is Matthew Calbraith Butler, Edgefield, S. C.

Q. Did you ever hold any political office in the Government of the United States?—A. Yes, sir.

Q. What?—A. I was eighteen years in the United States Senate from South Carolina.

Q. When did your term of service end?—A. March 9, 1894, I went out of the Senate.

Q. Since that time have you ever had any contract relations with either the Holland Boat Company or its successor, the Electric Boat Company?—A. Yes, sir.

Q. What was that?—A. I was employed professionally to represent them, more especially before the Naval Committee. That was the only place that I appeared. I made two or three arguments before that committee and consulted generally with the conduct of the affairs of the company, and my recollection is that Mr. C. E. Creecy and myself were the only two attorneys here at that time.

Q. Will you state when that was?—A. I can not recall positively. My service began about 1896 or 1897, and I closed my office here four or five years ago, and have not been here since, except passing through a short time; but up to that time I was in the employ of the Holand Boat Company, but it was in its experimental stage, and subsequently of the Electric Boat Company.

Q. After you went out of the Senate did you carry on any professional business in the city of Washington?—A. Yes, sir.

Q. What was that?—A. I practiced law here; had law offices.

Q. Were you engaged in the practice of law at the time of this employment by the Holland Boat Company?—A. Yes, sir; I was.

Q. Was your contract with them in writing or was it verbal?—A. I do not remember; I don't think it was; I don't really remember whether it was in writing or not.

Q. Will you state specifically what that contract was?—A. Well, the contract was that I was to represent this Electric Boat Company. It was in the first instance the Holland Boat Company, and then that was taken over by the Electric Boat Company, and I was employed generally as their attorney here. As I say, the principal part of the service I rendered here was before the Naval Committee of the Senate, where, as I now remember, I made two or three arguments in behalf of the Holland Boat Company and the Electric Boat Company.

Q. Had they any case pending in any court of Washington or elsewhere?—A. I don't remember that they had.

Q. Were you employed to represent them in any pending case?—A. I don't know that there was anything specifically in that regard, but I take it that I was if they had any litigation in the courts in Washington. I quite likely had taken my share of the responsibility in conducting it.

Q. How long did that service continue?—A. Well, I can not remember definitely. I must have been employed about 1897, eleven years ago, and continued up to three or four years ago, when I moved back to South Carolina.

Q. What compensation did they pay you for your services, and how was it paid?—A. Well, I would draw a check on them for part of my services. I remember the year I got a permanent retainer of $2,400.

Q. Do you recall what year that was?—A. No; I don't remember now.

Q. Was that the first contract you had?—A. Was it what?

Q. Was it your first employment?—A. Yes, sir.

Q. Was there ever more than one contract made between you and them?—A. Never, that I know. I was in their employment from the time I first took up this office until the time I left Washington—not all the time. I was absent about one year in Cuba in the Spanish war, and, therefore, of course, could not have taken any part.

Q. You say the contract was one year you were to be paid $2,400?—A. Yes, sir; $200 a month. That was the amount exactly, and I got that $200 every month, sometimes by check and sometimes I made a draft on them for that amount.

Q. After that did your contract change from a specific amount?—A. Yes; I did not have any specific standing contract after that.

Q. How much in the aggregate by the year was paid you after the specific contract terminated?—A. Oh, I can not remember. It is utterly impossible; I can not remember. I did not keep any account of it; perhaps not more than $1,000; I should think hardly that.

Q. Per year?—A. Well, I did not get it by the year; they would pay me so much for my services.

Q. Who made the contract with you?—A. My recollection is Mr. Frost, E. B. Frost; he is the vice-president of the company.

Q. Was he vice-president at the time of making this contract?—A. No, I think not. I think he was the treasurer and secretary. That is my recollection now; I am not going to be positive about it, because I kept no memorandum of these things, and can not be very definite.

Q. How did your contract come to an end?—A. Well, I don't know. I suppose they got ready to dispense with my services, like any other professional contract. That is the only reason that I know. A lawyer is employed and when they get through with him they terminate his employment.

Q. The company terminated the employment, or did you?—A. Not in terms, neither. I went south, went home; that practically ended it. As I say, I was in the Volunteer Army in May, 1898, and was employed until about twelve months I was away. Of course there was no compensation going on during that time.

Q. Now, General, what specific service did you render—what particular services did you render the company?—A. I just stated, I think, the most valuable service was the arguments I made in the Committee on Naval Affairs of the Senate; never appeared in the House and never spoke to a human being in the House. I never spoke to any Senator or Representative on the subject except in the argument before the committee which I made, perhaps, four or five times.

Q. You made them four or five successive Congresses, or four or five times?—A. Four or five different times before the committee. I do not remember about Congresses; the Committee on Naval Affairs.

Q. What was the nature of the arguments you presented to the Committee on Naval Affairs?—A. Well, I represented what I now believe, that the submarine boat is an extremely valuable implement of war, especially for seaboard and coast defense, and I said there, and repeat here, that this Government ought to have at least a hundred of them. That is my deliberate judgment.

Q. Were your arguments oral or in writing?—A. Oral.

Q. Were they taken stenographically at the time?—A. Well, I don't think they were, probably in part they were. I kept no record of it.

Q. Did you ever address any argument to any individual Senator?—A. Never, sir.

Q. Did you ever appear elsewhere or otherwise than before a regular sitting of the Naval Committee?—A. I don't remember anywhere, except the time I designated, and I can not exactly remember the dates, but I think at least three times I appeared there to make an argument in favor of these submarine boats and I stated what I state now, it seems to me about the only sin the Electric Boat Company has committed is that they make the best submarine boat in the world and inasmuch as all the maritime nations in the world are building them—France, 99; England, 40—and I always take the ground, and did before the committee, that the Government ought to be amply supplied with the submarine boats.

Q. Had the Government contracted for any submarine boat when your representation of this company first began?—A. Upon my representation?

Q. Not necessarily upon your representation, just as a matter of fact generally, had they contracted?—A. I don't remember when they did make the first contract, I think it was for the old original Holland boat.

Q. Was that before your employment began?—A. I think not. The first time I saw the Holland boat was when I went up to Shelter Island, in Long Island Sound. Several friends went up there and this boat came out from the wharf. I did not know what it was—we were on a tug—and they told me it was the *Holland*, and it went through there experimenting. It lay off 2 miles and the coast on each side, just a little invisible monster, somebody called them, and came up the first mile and the captain took observations, and down it went again, and then he went and fired a torpedo at where the battle ship was supposed to be and struck within 15 feet of the center of it. That was to me a novel and very marvelous performance. Then they continued the experiment, and I supposed spent a great deal of money, the Electric Boat Company, developing and improving it, and finally, as I say, in my judgment, they have got the best submarine boat in the world. That is my opinion.

Q. Your recollection, then, is that the Government had contracted for none of these boats when your employment first began?—A. I think not; I was employed in the experimental stage.

Q. Up to the time your services terminated with this company how many boats had been contracted for?—A. Well, now, I don't remember; I can not remember. I think perhaps they have now in commission and under contract—the last Congress contracted for seven; I don't remember.

Q. I mean up to the time your service terminated.—A. I can not remember; I don't know.

Q. Can you recall whether any contract at all had been made for a submarine boat with this company up to the time your services ended?—A. I think so; yes, sir. I can not remember what specific boats or how many, but they were built and delivered, I think, while I was in the employment of the company.

Q. Do you remember who were the members of the Senate committee at the time you appeared before it?—A. Well, I can not recall some of them. I served on that committee for thirteen years. Hale, chairman; Perkins, California; Tillman, of South Carolina—I am not sure whether Penrose was on it or not; I think he was, and I don't remember now—Martin, of Virginia, he was a member of it, but I can not recall them all. Hale was chairman, and is still chairman.

Q. Did you ever appear before a Department of the Government, Navy Department, or any other Department?—A. Never.

Q. Never?—A. Never.

Q. Or for the purpose of urging a contract for these boats in any other way?—A. I did not.

Q. Did you ever suggest to the Naval Committee at any time specific legislation that you thought desirable for them to adopt?—A. Which committee?

Q. Naval Committee of the Senate. I understood you to say you never appeared before the House Naval Committee.—A. No; I had nothing to do with it. I think quite likely I possibly discussed a bill that was pending and may have suggested some amendments; I do not recall definitely on that subject. I think it is quite likely.

Q. Before the Senate?—A. Senate committee; I think quite likely I did.

Q. Were your suggestions oral or written?—A. Oral.

Q. What was the nature of these suggestions you made about desirable legislation?—A. I can not really recall now. I can not recall definitely. I had bills pending before me. It was in a general way argument in favor of making an appropriation for these submarine boats. I can not undertake to relate the details of it, or any specific ground, but in a general way urging and recommending upon Congress, or the Naval Committee of the Senate especially, the great importance of having a number of these submarine boats. I said that—and I have said it since—I think they are extremely valuable, and in my judgment—of course it has no weight now—my judgment is this Government ought to have no less than 100 of them.

Q. Did you ever discuss privately with any Senator while he was a member of the Naval Affairs Committee the interests of this company?—A. I don't remember that I did.

Q. Did you ever write or correspond with any member of the Senate on this subject?—A. I do not remember as to that. I do not think I did. I think my service was in the way of argument before the committee, and I did that upon the assumption that every interest in this country and every individual in this country has the perfect right to be represented before Congress, and in my day the fact that anybody approached a Member of Congress or a Senator was not the slightest evidence for suspicion of corruption or "corrupt practices" as are related in this charge here. I suppose I have been approached a thousand times on matters pending before the Senate.

I do not know just exactly what they mean by an organized lobby. But this much I will say, that a lobby has no terrors for an honest man. On the contrary, the presumption is that a Senator or a Representative is not omniscient, and he is not infallible, and I only give my own experience that I invited all the information I could get on any subject.

Q. Did you ever furnish any social entertainments to any Senator of the United States while he was a member of that committee?—A. I do not remember.

Q. Or during your employment by either the Holland or Electric Boat Company?—A. Not individually; no. The *Holland* was brought down here in the Potomac River to demonstrate, and I went down on the tug and invited quite a number of Members of Congress and Senators and Representatives, and they had something to drink and something to eat.

Q. You invited them?—A. Yes; I invited some of them.

Q. At whose instance did you invite them?—A. I think it was my own.

Q. Who furnished what was had to drink and what was had to eat?—A. I suppose the company.

Q. Did you extend these invitations by authority of the company?—A. I suppose I must have; I could not have done it on my own account. The entertainment was not mine, but I think Admiral Dewey went down as one of them.

Q. When was that?—A. When the first *Holland* was brought here into the Potomac River, and a number of naval officers and a number of Representatives and Senators went down to watch this experimentation, and I was one of the party, and my recollection is that Hale was and several others. And they experimented down the Potomac there for perhaps a week, back and forth.

And I did not suppose there was any suspicion of bribery connected with inviting a Congressman or a Senator to take a drink. If there was, I have been bribed very many times, because I remember going over to Philadelphia to the launching of the *Columbia*, and partook of a very sumptuous lunch provided by the Cramp Company. Those things have been repeated without any suspicion of their being bribery. This boat was brought down here for the purpose of demonstrating to the Navy Department, or anybody else who wanted to see it, its capacity and its usefulness or its worthlessness. It was down there, I suppose, for a week.

Q. What other members of the corporation, either of the Holland Boat Company or the Electric Boat Company, were you ever in communication with during your employment for them other than Mr. Frost?—A. Mr. Frost. Every transaction was with Mr. Frost. Mr. Rice may have talked with me in a general way, but Frost was the active and executive man. He made this contract with me, and my consultation was practically with him, and the other gentlemen who partook of this hospitality.

Q. Are you clear and positive that your employment ever contemplated the doing of anything than the making of public appearances before the Naval Committee of the Senate?—A. I do not know whether you would call this anything or not. I went down on this excursion, down the river. I do not know whether that was a part of

Q. I mean up to the time your service terminated.—A. I can not remember; I don't know.

Q. Can you recall whether any contract at all had been made for a submarine boat with this company up to the time your services ended?—A. I think so; yes, sir. I can not remember what specific boats or how many, but they were built and delivered, I think, while I was in the employment of the company.

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And I did not suppose there was any suspicion of bribery connected with inviting a Congressman or a Senator to take a drink. If there was, I have been bribed very many times, because I remember going over to Philadelphia to the launching of the *Columbia*, and partook of a very sumptuous lunch provided by the Cramp Company. Those things have been repeated without any suspicion of their being bribery. This boat was brought down here for the purpose of demonstrating to the Navy Department, or anybody else who wanted to see it, its capacity and its usefulness or its worthlessness. It was down there, I suppose, for a week.

Q. What other members of the corporation, either of the Holland Boat Company or the Electric Boat Company, were you ever in communication with during your employment for them other than Mr. Frost?—A. Mr. Frost. Every transaction was with Mr. Frost. Mr. Rice may have talked with me in a general way, but Frost was the active and executive man. He made this contract with me, and my consultation was practically with him, and the other gentlemen who partook of this hospitality.

Q. Are you clear and positive that your employment ever contemplated the doing of anything than the making of public appearances before the Naval Committee of the Senate?—A. I do not know whether you would call this anything or not. I went down on this excursion, down the river. I do not know whether that was a part of

my employment at all. But the only professional service that I rendered was before the committee of the Senate. As I said, I appeared there several times; I don't know how many. I only regret that I am not in their employment now.

Q. Are you clear and positive that you had no written contract with either the Holland Boat Company or the Electric Boat Company?—A. I think quite likely—but I don't know where it is, though I may have been employed as any other lawyer is employed, at a stipulated sum to be paid as fee. Possibly I may have had a contract in the form of a letter from Mr. Frost or somebody. It is not unlikely.

Q. Are you positive that that was a written contract, or is it probability that you are now dealing with?—A. There was no written contract. I think very likely my employment was in the form of a letter, as is very often the case.

Q. Is there in existence anything that will enable you to recall positively whether that was an employment by letter or under a specific written agreement?—A. I have stated all I know on the subject. I can not remember definitely. It is just possible I might have had a written contract in the form of a letter, as I say, and it is not unusual for a lawyer to be employed by a written contract. He may change his service, and they agree to pay him so much. I suppose I was employed in the same way. I should say in a number of Congresses I have represented the Cramps here.

Q. Whether written or verbal, what was the purport of it, what was the purpose of your employment? Was the scope of your employment in any way different from what you have narrated?—A. No, sir. I have simply stated the nature of my employment. If I had supposed it of any importance I would have looked up the papers, but I have not got them here. I have them at home. But I was employed in a general way, as any other attorney here. I have no apologies to make to Mr. Lilley or Mr. Anybody Else.

Q. Is there any other fact or circumstance that you recall connected with this matter about which I have not inquired, and if there is, will you please narrate it?—A. I do not remember of any.

Q. Anything pertaining to the subject-matter of this investigation?—A. No. I see Mr. Lilley in his statement here puts me down as one of the "organized lobby." I should like very much to have an explanation of that from him or somebody as to what he means by "organized lobby."

Q. I do not know that lexicography is one of the functions of the committee, and we will dismiss that.—A. It might be with the man who makes the charges.

Q. That would be personal rather than official.—A. The man who attacks a private citizen who has no opportunity of defending himself in the forum where the charges are made—and Mr. Lilley seems to have gone into the newspapers to vent his grievances—I thought he might possibly have some definite idea as to what an "organized lobby" was.

Q. If there is any statement you desire to make upon that point in defense of yourself, the committee would be very glad if you will make it.—A. I intended to bring up with me—but the gentleman who undertook to get it is not here—there is one case in the 20 Wallace where the United States Supreme Court in the case of Grist *v.* Childs, where the subject of lobbying is very fully discussed, and in some

subsequent decisions, in which they take the ground that there is not the slightest impropriety in a gentleman rendering professional services before Congress, and he is not necessarily to be charged with being a lobbyist by reason of that employment. If that is the case, it has been done ever since the foundation of this Government, for I know I have had ex-Senators and ex-Secretaries of the Treasury and officers and gentlemen of prominence appear before committees of which I was a member. It is going on to-day, I take it. So that I do not think it is quite fair for a man who has not fortified himself with the facts to attack a man outside of the House, a private citizen, and not give him an opportunity to reply to him. That is what I complain of in this case. I have no apologies to make on earth to him for my employment by that company, not the slightest, but I resent as an offense and as untrue the statement that I belong to what he chooses to call the "organized lobby."

The only gentleman with me here was Mr. C. E. Creecy. He and I represented the company here principally. I see this accuser has brought in Mr. E. W. Creecy, who knows no more about it than that bottle. He had nothing to do with it. And General Hunton—that is the same sort of recklessness which, for one, I feel inclined to resent. If I have done anything wrong, or if there has been any corrupt or improper practices, I am wholly unaware of it, and I do not know of a single instance of it. I do not know of a thing that has been done that has not been done before the Congress of the United States by lawyers of reputation.

Mr. HOWARD. We thank you, General, for your attendance.

General BUTLER. I would have liked to have made another statement, but I do not suppose it would be entirely parliamentary.

The CHAIRMAN. Mr. Olmsted would like to ask you a question, General.

By Mr. OLMSTED:

Q. General, I think you said that your employment ceased some time ago?—A. Three or four years ago.

Q. Then you had no employment with reference to any legislation in the present Congress?—A. No, sir.

Q. And have taken no part for or against legislation in the present Congress with reference to the submarine boats?—A. No; I have not been here.

Q. You have not appeared before any committee?—A. No, sir.

Q. Nor addressed any committee or any Member of the House?—A. Not one that I know of; I have not been here; I have been home until I got this notice that brought my name in here, and, I think, unfairly and unjustly and falsely.

The CHAIRMAN. The committee is under obligations to you for coming here this morning, and I trust it has not put you to any serious inconvenience.

Is Mr. C. E. Creecy, who was referred to by General Butler, here? If he is here, the committee would like to examine him next.

TESTIMONY OF CHARLES EATON CREECY.

CHARLES EATON CREECY, being first duly sworn, on being examined testified as follows:

The CHAIRMAN. Mr. Howard will conduct the examination.

By Mr. HOWARD:

Q. Will you give the stenographer your full name and address?—A. Charles Eaton Creecy; office address, 308 Corcoran Building.

Q. Is Washington your home?—A. Yes, sir.

Q. How long have you lived here?—A. Since 1879.

Q. Were you ever in partnership of any kind with ex-Senator Butler, of South Carolina?—A. I was not in partnership with him. General Butler belonged to another law firm. He belonged to the law firm of Shelley, Butler & Martin. I was the original attorney for the Holland submarine boat. I think my employment commenced in 1894, when they started with some drawings. In 1896 the company associated General Butler with me in the Holland boat matters, and his employment was confined to appearing before committees of the Senate solely.

Q. How do you know?—A. Because he was associated with me, and I attended to all the other business.

Q. He was employed by the Holland Boat Company?—A. The Holland Boat Company.

Q. Independently of their employment of you?—A. Yes, sir.

Q. You were each employed separately and then associated in the work?—A. That is the idea; yes.

Q. Do you know personally anything about the contract between the boat company and Senator Butler?—A. Yes, sir.

Q. Was it a written or verbal contract?—A. I think one of them was in writing and the other—it is going very far back—I think he was employed verbally at one time.

Q. How many times was he employed?—A. I think his contract was continuous. If I am not mistaken, in 1895 the company did not have any money, and I think the firm of Shelley, Butler & Martin were employed, although they only wanted General Butler, and my impression was they gave him some stock in the company. They did not have any money to pay him. That is my impression. It is so long ago that I can not recall.

Q. Did you ever see the written contract with him—between Senator Butler and the company?—A. I saw a written contract, yes, to pay him $100 a month—no, I think it was $200 a month.

Q. How long did that last?—A. That commenced in 1900, I think, and ran until March 3, 1903.

Q. How much stock did they give him in the company?—A. I could not tell you that.

Q. What knowledge have you upon that subject?—A. I have very little knowledge, except that is my impression.

Q. What fact can you remember that that is based on?—A. Because they had not any money. I did not get any money myself, and I had to take stock.

Q. You took stock?—A. Yes, sir—that is, in the early commencement.

Q. Did you have a written contract with the company?—A. I did at one time, and the last three years I did have a written contract.

Q. What was the first contract, when did it commence, what services were you to perform, and how long did it continue?—A. The first contract was in 1894. The company was then known as the John T. Holland Submarine Boat Company, and Mr. Frost was the

general manager, and I think he was president of it. At any rate, he controlled the company, and they gave me a lot of stock. To tell the truth, I didn't take any stock in the company, in the invention at that time, and I did not care about going into it, but some friends of mine urged me, and I went into it. Would you gentlemen like to have a little history of the submarine boat matter? I will tell you something about it.

Q. Perhaps you might state what you know.—A. I practically had the management of the Holland Submarine Boat Company down to 1902, from 1894. I mean of its business affairs in Washington. And I appeared innumerable times before the committees of Congress, and before the Departments, and before boards appointed by the Secretary—I got the Secretary to appoint boards to examine the tests of the Holland. When I was first employed we had nothing but a set of drawings and Mr. Holland's ability as an engineer. We applied to the Department and got very little satisfaction out of them. The Bureau officers thought it was a chimerical idea; they did not want to be bothered with it. However, Captain Sampson, afterwards Admiral Sampson, I think in the year 1895, concluded to recommend that an appropriation be made for a submergible or submarine boat, and his conclusions were based upon the argument made by Mr. Holland, who convinced him—and he was the only officer in the Navy Department that could be convinced at that time—that there was something in the submarine boat worthy of investigation. When he requested that appropriation it was simply to authorize the Department to contract for an experimental submergible or submarine boat. I then appeared, with Mr. Frost, before the Naval Committee of the Senate—I think Senator McPherson, of New Jersey, was chairman of that committee—and I drew up the matter before them, and Senator McPherson favored it. Then it went to the Committee on Naval Affairs, and Senator Hale had taken an interest in the submarine boat business, and a friend of Senator Allison by the name of Baker had a submarine boat from Iowa. I did not know at the time there was another submarine boat being prosecuted except the Holland design.

Q. Was that boat tested in Iowa?—A. They had a little boat they had done something with there. Finally an appropriation was made and I found that Mr. Baker, of Iowa, was a very formidable competitor before the Department for this contract. The Secretary caused advertisements to be issued for proposals, and there were twelve or thirteen fellows from all sorts of places came in with cranky vessels and everything else and made proposals. There was no money asked and everybody appeared who had a piece of paper or felt like it. The consequence was we went before a board that was appointed by the Secretary to decide which was the best, and it finally simmered down to Baker's boat and the Holland design. Holland had built two boats previously, one called the *Fenian*. A lot of wild Irishmen down in Canada wanted a boat to blow up this, and they sent it up to Rochester, and I guess it is there yet. Then they built another boat that cost two or three thousand dollars—that was before I came into this thing——

Q. I think the committee would prefer that you bring your analysis down to operations of the Holland Boat Company as a corporation.—A. The operations of the company?

Q. The operations of the company through you.—A. We got a contract finally.

Q. Will you give the date of that?—A. That was in 1895 or 1896.

Q. Will you go into the details of that new contract; how did you obtain it?—A. By competition.

Q. Was there any matter of legislation?—A. Only what I have described to you. It was recommended by the Chief of the Bureau of Ordnance, Captain Sampson, afterwards admiral.

Q. That was not legislative.—A. Well, I appeared before the Committee on Naval Affairs and advocated it, and took Mr. Holland before them. I did not know a thing about the submarine business, but presented his designs, and tried to help Admiral Sampson obtain legislation favorable to the introduction of this kind of a vessel for the Navy. We did not assist any; I don't think we had any effect on the committee.

Q. Wasn't that matter left in the hands of the Secretary of the Navy?—A. Yes, sir.

Q. And were not your efforts directed toward the convincing of the Navy Department?—A. That is exactly what I tell you. First we went before the Naval Affairs Committee, but we were not heard. We asked to be heard in order to show why Admiral Sampson was making the recommendation for submarine boats, because the submarine boat was an unknown quantity with naval affairs at that time. We were not heard. After the appropriation was made and it was confided to the Secretary's discretion he advertised for boats. I think there were 14 bidders, inventors and patentees—everybody put in a bid when they had a patent or a design. However, when the board finally reported that the Holland submarine design was the best, and promised greater advantages than any other, somebody told the Secretary that the concussion of the shell would kill everybody in the boat. It took him a year to find it out, whether that was true or not. He sent down, I think it was first, a calf, at one time, and several roosters and chickens at another time, and fired off a shell alongside of the boat, but it took him a year to determine before he awarded that contract. Then when the contract was awarded to us, Mr. Holland wanted to build the boat, which was afterwards called by the Department the *Plunger*. He wanted to build it on his own design. He wanted a gasoline engine, as they have now, with electric batteries to run submarine. The Department threw up its hands in holy horror at the idea of placing gasoline in war vessels, and refused to put gasoline in. The consequence was we were obliged then to put steam in the vessel, and Melville, who was the chief engineer, insisted that we should have twin screws upon this poor little craft 100 feet long. And we had all sorts of embarrassments. We worked on the vessel for some two or three years, and finally we got it so far that we put steam on. Then the company decided to build what is now known as the *Holland*, which was afterwards purchased by the Government. I appeared before the Secretary——

Q. What contract did you have with these people under which your first efforts were enlisted?—A. At that time I had stock.

Q. How much stock did you have?—A. I couldn't tell you that; I sold it.

Q. What did you get for it?—A. I believe I got $30 a hundred.

Q. How many times $30 did you get?—A. Now, I couldn't tell you; I didn't get enough. . I thought I was very poorly paid for a contingent fee, and I don't think I realized over ten or twelve thousand dollars on that stock. I did not sell the stock until after it was organized by Mr. Rice. It never was worth a cent——

Q. Ten or twelve thousand dollars you got out of the stock that was given you at first?—A. I think it was about that.

Q. What company's stock was that?—A. It was the Holland—no, it was not the Holland. The Holland stock was changed, and I was given stock in the Electric Boat Company when the Electric Boat Company merged the Holland Company into it. They called in all the old stock and, issued the same amount of new stock to the subscribers, and I was——

Q. Did you sell before or after the merger?—A. I sold after the merger. It was the Electric Boat Company stock that I sold.

Q. You sold enough of that stock given you in the beginning of your connection with the enterprise——A. No; that stock wasn't worth anything.

Q. You got what?—A. I got about ten or twelve thousand dollars, I think.

Q. How long ago did you sell that stock?—A. I think I sold that stock in 1900.

Q. Did you make a new contract with the Electric Boat Company?—A. Yes, sir.

Q. Was it a written or a verbal contract?—A. It was written.

Q. Have you got it?—A. No, sir; I have not got it.

Q. Where is it?—A. Well, I had a house cleaning last spring and I burned up the accumulations of twenty-four years' papers in my office, and I burned all the Holland boat papers, and I was president of some other companies, and I had about two tons of papers, but I can tell you exactly the terms of that contract. I got under that contract $6,000 a year, running from some time in 1890 to March 3, 1903.

Q. 1890?—A. Yes; some time in 1890.

Q. March 3, 1893? You mean 1903.—A. 1903.

Q. Do you mean 1900?—A. 1900, commencing some time in 1900; I think in the fall of 1900 and running for two years, over to 1903.

Q. At $6,000 per annum?—A. At $6,000 a year.

Q. Was that compensation absolute or was it contingent?—A. It was absolute, payable monthly.

Q. Was it paid?—A. It was paid.

Q. Who by?—A. By Mr. Rice.

Q. Who was Mr. Rice?—A. Mr. Rice was president of the Electric Boat Company.

Q. Was that compensation in addition to the stock that was given you?—A. He never gave me any stock except the transfer from one company to the other.

Q. But it was in addition to the stock?—A. It was in addition. I was employed from 1894 to 1900 without getting a dollar from the company.

Q. Except the stock?—A. Except the stock. And I did an immense amount of work, employed and acting as their manager, in fact, of all their business matters before the Department and in Congress.

Q. From 1903 to date, what contracts have you held?—A. I have had none; I have not had any contract with them whatever.

Q. Since when?—A. Since March, 1903, and practically for one year before that I did not have anything to do with the company except to appear when I was requested to before the committees of Congress.

Q. How was that contract terminated?—A. By its own limitations.

Q. What capacity were you in?—A. I was attorney for the company.

Q. Were you a lawyer?—A. Yes, sir.

Q. Practicing here?—A. Practicing here since 1869.

Q. Now, what representations did you make to the officials of the Navy Department when you were seeking the first contract for submarine boats?—A. I had to educate them, although they were naval officers.

Q. How did you go about it?—A. I had read up everything about submarine boats from the time that Napoleon Bonaparte was about to build a submarine fleet.

Q. How did you get yourself rid of it in the Navy Department?—A. I loaded it up on the officers by the information I had.

Q. That is what we want to know.—A. I had to do that by arguing the merits of the Holland boat before the different boards that the Secretary appointed to consider these matters. Mr. Holland was unable to do it and I did it for him. I went into the history of the whole thing. Then I discussed every phase of the importance of these boats, from the standpoint of the company, and I convinced one or two of them, but the majority of them did not want to be convinced and would not be.

Q. Did you spend any money with any of these officers?—A. Oh, no, sir; no, sir.

Q. Did you pay them money or make them gifts or presents in any way?—A. No, sir; never gave them a cigar.

Q. At no time?—A. Never.

Q. Did you furnish any entertainment of any kind?—A. No, sir.

Q. At any time?—A. No, sir; never.

Q. Do you know of your own knowledge that anybody else or the Holland Boat Company or the Electric Boat Company paid any money?—A. No, sir; I do not.

Q. Or made them any gifts?—A. I don't think there was ever an officer of the Navy Department received anything from the company, so far as I am aware of.

Q. Do you know whether or not the company or any agent of the company offered or tendered any gifts?—A. I never heard of such a thing. If I had heard of it I would have put my foot on it. It would have injured the company very much, and we had, in fact, no money——

Q. What connection had you with the legislative interest of the company before Congress?—A. I appeared before the Naval Committee of the House, I think, three times, and I appeared with General Butler before the Senate Naval Committee some five or six times. The first time General Butler and myself appeared before the Naval Committee in the Senate was in the year 1896. I told General

Butler that I thought the Senate could be prevailed upon, in view of the troubles that might happen, to appropriate enough money to build two or three submarines. So we took Mr. Holland and we got Admiral Jewett of the Navy, who had been in my office and was much interested in it—Old Fighting Jim Jewett they used to call him—and Lieutenant Kimball, now Captain Kimball, and we asked the Secretary of the Navy for permission to take those officers up there to advocate the submarine boat. By his consent all those officers appeared before the full Naval Committee. I think Senator Cameron, of Pennsylvania, was chairman. We succeeded in convincing the Naval Committee by our drawings, plans, illustrations, and arguments that it was a very important thing and they appropriated $400,000 for the purchase of two submarine boats for the Navy. But they left it, unfortunately, to the discretion of the Secretary, who did not exercise the discretion until 1900.

Q. What representations, and how were the representations made before the Senate committee?—A. We had drawings and plans and had them exhibited to the full committee. Mr. Holland described it; he produced papers showing that the French Government had already built four and were contemplating a large number.

Q. Did you approach any member of the committee as an individual?—A. No, sir; I never saw them on the subject except at that hearing.

Q. Did any other person associated with you to your knowledge approach individually any member?—A. No, sir; no, sir.

Q. Did you undertake to get the Secretary of the Navy to exercise his discretion under this appropriation?—A. We did, and he would not do it.

Q. How?—A. We went to him and begged for a contract; we applied for a contract.

Q. Why was it turned down?—A. Because the trouble with Great Britain and Venezuela—that matter had terminated. There was no immediate necessity, no war approaching, and he claimed that the Holland boat was in an experimental stage; that we already had a contract for one, and he wanted to wait until that one was finished before he took advantage of this discretion.

Q. Do you know of other persons in Washington who were employed with you in the interests of this company?—A. No, sir; nobody. General Butler and myself. I want to say, General Hunton had his law office adjoining me. He and I had a great deal of business together. We were together for sixteen years; not actual partners, but the general was connected with me in a large number of matters, and I was trying to think in what way General Hunton was interested in this; and my recollection is that the only time we ever asked General Hunton for his advice or counsel was when we got the *Holland* finished; the question arose with the company whether we had better bring the *Holland* down here and give a public exhibition and have the heads of the Navy Department and bureau officers and Congress, including the naval committees, and Miles and his staff; and the company did not want to bring the *Holland* down here because of the expense. We had never got a dollar out of the Government, and had been working six or seven years for its benefit. And they differed from me as to the advisability of bringing the *Hol-*

land here, so we consulted old General Hunton, who had been long in Congress, as to what had better be done, and he said: "Well, my advice to you is to try and spare the money and bring the *Holland* down here, so that you can show it to the whole Congress. You can show it to the entire Navy Department and to the War Department, and you will have a practical test, and it will be impossible for your enemies at the Departments to say it was not successful. You exhibit this vessel before the naval committees here in Washington and they will see for themselves and judge for themselves, and not take the prejudiced opinion of officers of the Navy, who do not know anything about this boat." That is my recollection of all that General Hunton was consulted in. He was consulted and his advice was given, and I think they paid the general $100 for his advice on the subject; I am not certain; but without that I can not call to mind when General Hunton was ever bothered about the Holland Boat Company.

Q. What knowledge have you of the exposition made of the *Holland?*—A. I was the cause of the vessel being brought here; I advocated it. The company did not want it brought here, mainly on account of the expense.

Q. And General Hunton was prevailed upon——A. The contention was left between us to decide which was right, and General Hunton decided with me. Now, we have been to an enormous lot of expense about this Holland boat.

Q. How?—A. We built it at our own expense.

Q. That was a legitimate and reasonably to be contemplated expense?—A. Yes. When we found that the Government requirements that they put upon us, of putting steam in the *Plunger*, we began to feel that there would be a collapse of the whole invention. So Mr. Frost, his father, his uncle, and his mother contributed and agreed to build a boat under their own specifications, with gasoline in it, just as Mr. Holland's idea had been. So we built the *Holland*, which is now owned by the Government, and it cost us a lot of money. Then we got the Secretary to organize a board.

Q. Do you know what it cost?—A. I think that *Holland* must have cost them $200,000 before they got through with it.

Q. Do you mean the construction of it?—A. Not exactly; but the different troubles and everything else.

Q. How much law went into the construction of it?—A. Not as much as I wanted in or as far as I thought I deserved. Now, the first time we took that boat down we took the Secretary, whoever he was at the time—I think it was Secretary Long. He was very pleasant, but never did anything——

Q. Do you mean generally?—A. I think that was generally the case. But he was very affable and nice, and he had appointed a board, with Lieutenant-Commander Sperry at its head, and we started down the Raritan Bay, I think it was, to try the *Holland*, and I went on the same train with this board from the Brooklyn Navy-Yard, and Lieutenant Sperry said to me, in a petulant tone, "I think it is an infernal outrage that we should be taken away when we are having a war threatened with Spain and taken down to look at this boat and away from our duties." I said, "Lieutenant Sperry, it seems to me that you are not in a proper frame of mind to pass judgment on this invention, and if you say so we will get off at the

next station and I will ask the Secretary to take you off the board and put on a new man." "No, no," he says; "I don't mean that." Well, we went down there, and Mr. Holland—we made the programme that he was to dive a mile from a stake boat and come up and show himself and come back. He was an eccentric old fellow, just like all inventors are, and instead of diving 1 mile he went 2. In the meantime the water became rough and we could not see him come up, and that brought on almost a fit of nervous prostration, and Sperry says, "Mr. Creecy, I don't like this business. I don't believe in this thing in the Navy. I am very fond of old Holland; he is a splendid old fellow. I am afraid something has happened to him."

Well, I will tell you I had nervous prostration for a pretty long interval. I was afraid I was the cause of Mrs. Holland being a widow with seven orphans on her hands. When we had about given him up, Holland bobbed up about a hundred yards from the stake, held up his hand and waved it at us, and went down again.

Now, that board went back and made a most infernal report against the Holland boat, and when I called on Mr. Roosevelt, then Assistant Secretary of the Navy, he said to me, "Creecy, I am awfully sorry you got such a bad report." I had not the most remote idea of having a bad report. We had invited the New York press men to go down there, and the reporters of the World and the Herald and all of them were very enthusiastic. It was the longest run ever made by a submarine boat in the history up to that time—4 miles. We thought we had accomplished wonders. I said, "I am astounded." We had with us a naval attaché of the Russian Government, and he had informed us he intended to recommend to his Government the adoption of this boat. Mr. Roosevelt said, "Would you like to answer this report?" I said, "I certainly would." It was Saturday, and I took it back to the office and I worked all day on Saturday and I got the affidavits of witnesses; they, every one of them, saying it was a splendid thing, and the naval attaché assured me that he had recommended its adoption by the Russian Government on the strength of that report.

Q. On the strength of anything else?—A. On the strength of that exhibition, I should have said.

Q. He gave you that recommendation on the result of the exhibition alone?—A. Yes, sir. He had then recommended that it be adopted by his Government. Now, the Secretary, Mr. Roosevelt, asked me if I could get the certificates, and I told him I could, and I got the certificates and presented them with our argument against the report. When Mr. Roosevelt saw it he got mad as fire, and he said: "If I was Secretary of the Navy I would dismiss this board for dense ignorance," and he turned over my argument and he wrote on it, "I recommend the purchase of the *Holland*. She does not come up to all she claims, but in my judgment, however, she would be a valuable addition to the Navy." The *Holland* was not purchased for a year after that.

Q. Do you remember what document that was?—A. What do you mean?

Q. You had a report?—A. The Secretary had the report.

Q. On what did he write this order?—A. He wrote it on this order and you will find it in the Navy Department.

Q. What is it?—A. It is on the back of Lieutenant-Commander Sperry's report of the submarine boat *Holland* in the year 1897, I think it was. If you will permit me, I will go a little further. We offered the boat to the Government, after Secretary Roosevelt went out, and they declined to buy it for the reason that we were building one for the Government. That *Holland* was not a first-class boat. There were difficulties in the steering and several other difficulties. I asked the Secretary; I told him I was very much disappointed about this board's report, and also that he would not buy it. I said to him that if we would go to the expense of removing all the little defects in this boat, in its steering, and furnishing better electric power and better electric batteries, "Will you give us another board, a good, square board? We don't want anybody on the board that is friends of our company, but we don't want any enemies. We want fair-minded, intelligent officers." He said, "I will do it." I says, "We are deep in debt, we can not go much further with this thing, but if you will promise us a good board, we will try to raise the money and perfect this invention," and he said he would do it. That was Secretary Long. In about a year we perfected that boat, and we asked for a board. I want to say that I conducted all this business with the Department myself as attorney. The Secretary gave us a fine board, and we went down to near Sandy Hook, and we had a fine trial, and the board made a magnificent report, and said that the steering was not as accurate as it should be, but they said it promised to be a very great invention, and they recommended that we be given another trial and that they were satisfied we could perfect the boat. We had the greatest difficulty to get that vessel to steer straight under water. It took us one year again before we could get it down, but finally we perfected it. And then we asked for another board.

Q. Asked whom?—A. The Secretary.

Q. Secretary Long?—A. Secretary Long, and he appointed another board, with a rear-admiral in charge, a very broad and fine officer. I have forgotten his name——

Q. Can you give the three separate boards who tested the *Holland*—it is the *Holland* you are talking about?—A. Yes, sir.

Q. Who was the first board?—A. The first board was called the Sperry board, because Lieutenant-Commander Sperry was president.

Q. Do you remember the other members of the board?—A. I can not call them to mind now. There was a naval constructor and an officer of the line. The second board was a very much larger board, and my impression is Admiral Taylor was the president of it. And the year afterward, I think, the same officer was. They had splendid officers on both last boards. The last board voted unanimously as to the value of the *Holland* boat.

Q. In getting these boards appointed to whom did you apply?—A. Right to the Secretary of the Navy.

Q. Who did that?—A. I did.

Q. How was it made?—A. Made as attorney for the Holland Boat Company.

Q. Was it verbal or written?—A. Oh, no; written application.

Q. What became of those petitions or applications for this purpose?—A. They are in the files of the Navy Department.

Q. Were any other representations made for this purpose than what are contained in these records?—A. No, I think not. I don't

think there was anything. The Secretary was well informed. It was not necessary to make any representations as to the fact that we were spending our money liberally.

Q. Who was the first Secretary you dealt with on that subject?—A. Mr. Secretary Herbert, and the other Secretary was Secretary Long. Those two Secretaries, covering a period of eight years.

Q. What were you spending money liberally about then?—A. Paying for the *Holland* and its expenses. I am sorry they were not paying attorneys.

Q. Pay for the *Holland* and its expenses?—A. Yes, sir.

Q. What do you include in its expenses?—A. All expenses of building and experimenting, expert engineers, changes and alterations. It had to be ripped apart three or four times and changes sometimes made.

Q. Have you ever known what the *Holland* cost?—A. No. I do not have any knowledge about that branch. I know they were deeply in debt.

Q. You have testified before on this subject before the Naval Committees of the House and Senate?—A. Both.

Q. Do you remember testifying that you sold the *Holland* to the Government for $150,000?—A. Yes, sir.

Q. "And she cost us $236,000?"—A. I guess that was a rough estimate. I did not have anything to do with the buying, or the paying of the bills, or anything of that sort, but I should think it did cost that much.

Q. Where did you get your information from, then, as to that?—A. I must have got it, probably, from some of the officers of the service.

Q. During the time that you were undertaking to have the *Holland* tested, and up to the time you sold the *Holland* for $150,000, do you know of any expenditure made by the boat company for any purpose outside of the cost of construction?—A. I do not recall a thing; no, sir.

Q. Have you any personal knowledge of any money being paid?—A. No, sir; I do not know anything about the expenses of the company, except here in Washington.

Q. Right here in Washington?—A. Yes, sir.

Q. Have you any personal knowledge of any amount of money being paid to any Government official or to any private individual for any purpose?—A. No, sir; no private individuals nor anybody else. I want to say right here, Mr. Chairman and gentlemen of the committee, I was an old Department employee myself. I was chief of the division under President Lincoln and President Johnson. I was the first witness in the impeachment trial of Andrew Johnson. I want to say that I was an honest official, and I would never have permitted, if they had had any inclination, never would I have permitted anybody to have been offered or paid a thing to any Government official. And I have no reason to believe, since I have had anything to do with this company, and I am sure up to 1902, when I had control of the company, that no Member of Congress, no Government official or anyone else, was ever improperly paid a bill.

Q. You say you know that?—A. I know that personally. Up to 1902 I had control of everything here in Washington.

Q. Control of the payments that were made?—A. I had control of everything. There was no payments to be made, but I had control

of the business. I mean in the education and departmental business. Mr. Frost never went in the Departments. Mr. Frost appeared with General Taylor and myself merely as the representative of the company, and now he is before the committee.

Q. That was to June, 1902?—A. After 1902 Mr. Frost came here to Washington and assumed general management of the business affairs, and I was limited to my professional business of representing before the committees of Congress or any controversy that arose in the Department over the construction of a contract or difficulties about legal matters.

Q. Do you know whether the company, through any person, undertook to influence any Member of Congress who was on the Naval Affairs Committee?—A. No, sir; no, sir.

Q. Are you familiar with the persons composing the Naval Affairs Committee?—A. I am confining myself to my own. I do not know what occurred after 1902. Up to that time I had control. There was never any Member of Congress approached or anything of that kind. I would not have permitted it if I had known it.

Q. Was any expense made or money contributed to the election or defeat of any Member of Congress up to 1902?—A. That is due to the affidavit of Judge Dayton, of Ohio.

Q. To what?—A. That some unknown person had threatened to come up in his district and spend some unknown quantity of money to defeat him.

Q. The question is do you know of your own knowledge?—A. No, sir.

Q. That such a thing was done?—A. No, sir.

Q. Do you know to your own knowledge whether that was or was not done?—A. No; but it certainly was not done with my consent, and I don't believe it was done. It would have been a very bad move for the company, asking favors of Congress, to try to defeat a candidate for Congress. They could not have made a more injudicious move.

Q. Were you so related to the company's affairs that they could not have done that without your knowledge?—A. I don't think it was possible up to the time; I had full control.

Q. Where was the company's principal office?—A. New York City.

Q. Were you in New York City in connection with that business?—A. Well, some four or five times a year.

Q. Did you have control of anything in Washington in connection with that business except their interests before the Departments and Congress?—A. Well, they did not have any other business in Washington.

Q. Could they have had as a matter of fact influenced the election of Members of Congress without your knowledge, and have conducted it from their office in New York City?—A. They believed in me a good deal at that time, and took my advice about most everything, and they certainly would not have attempted anything of that sort without saying something to me about it. I know they were very angry with Judge Dayton because he sided with the company's enemies in the Navy Department.

Q. My question, Mr. Creecy, is this: Was it possible for them to have done this without your knowledge; could it have been done from the New York office and independent of your knowledge?—A. They

could have done most anything without my knowledge; I don't think it was possible that they would have done anything like that; that would have been cutting their own throat.

Q. That is a matter of opinion, as to the policy of it. I am asking if that was possible.—A. They let me guide the policy down to 1902, and we used to laugh about Judge Dayton's talk about someone going into his district and attempting to defeat him.

Q. You have testified, Mr. Creecy, that you terminated your connection with this boat company in 1902?—A. 1903.

Q. 1903?—A. Yes, sir.

Q. The early part of 1903, the 4th of March?—A. The 4th of March, 1903.

Q. Will you please state why?—A. It expired by limitation.

Q. Can you state any reason why it was not renewed?—A. Well, I didn't apply to have it renewed.

Q. Did they apply to you to retain your services?—A. Well, I never applied, and we simply stopped business. The fact of it was, I myself did not see any necessity for any more attorneys. The Government had adopted, and I think it was probably upon my own suggestion that——

Q. Who were the officials at that time?—A. Mr. Rice was president of the company; Mr. Frost—I think he was the general manager and perhaps secretary or vice-president; I don't recollect.

Q. Isn't it a fact that Mr. Frost undertook the active representation of the company in Washington about that time?—A. Well, yes; after 1903 Mr. Frost came down to Washington and he took a part in the general control of the company down here.

Q. He associated with you very intimately during the time of your employment, or until you ceased your connection with the company?—A. Well, only as an attorney of the company.

Q. But that was a very intimate association?—A. Well, I can not say it was any more intimate than any other companies I represent. I was president of the Pneumatic Gun Company and I was president of the Rapid Fire Company.

Q. Do you think he learned what you knew; he associated with you long enough and intimately enough to learn what you knew?—A. There is something in that.

Q. Rather absorbed your knowledge, and then you were dismissed?—A. Well, I was not dismissed.

Q. Did you not bring a suit against his company?—A. No, sir.

Q. Didn't you threaten a suit?—A. Yes, sir.

Q. What was the nature of the suit that was threatened?—A. It was a balance of money they owed.

Q. How much was it?—A. Well, I think it was five or six thousand dollars.

Q. Covering what services?—A. It was a balance of commissions. They agreed to pay me a commission upon any contracts that I could obtain or appropriations for contracts which they afterwards made with the Government, and it was the balance due me on the contracts that they got from appropriations made by the Government in 1903.

Q. If I understand you, your first employment was paid with stock?—A. Yes, sir.

Q. Your second employment was on a fixed contract—$6,000 a year?—A. And a commission of 3 per cent.

Q. You didn't state that.—A. I forgot all about that.

Q. Now, give us the conditions, please, of the 3 per cent commission.—A. That was all; to be paid 3 per cent commission upon all contracts obtained from the Government.

Q. When was that to begin?—A. That began at the same time that my written contract of $6,000 a year and 3 per cent commission.

Q. How much had you earned on the 3 per cent commission?—A. Well, I think about five or six thousand dollars.

Q. How much of what you earned on that basis was paid by them?—A. Well, it was all paid.

Q. What was your suit about, then, or threatened suit?—A. They did not want to pay any. The contention was—my contract having expired on March 3, and they not having gotten the contracts from the Government for a year after I had gone out—that I was not entitled to that compensation.

Q. How was the settlement effected?—A. By them agreeing, under the advice of their attorney, to pay it.

Q. When did they pay it?—A. About three years ago, I think.

Q. How long?—A. Three or four years ago. Wait a minute; I think I can give it to you. The contract was not made for two years with the Government, I think, immediately after the Lesseler investigation, which was January and February—if you gentlemen will recollect, you have studied it up, somewhere along there—of 1903, Congress passed the naval bill and appropriated a certain amount for submarine boats without naming any boats. The contract under that appropriation was not made, I do not think, for two years after that. And then arose my demand for commissions and their contention that it was not earned; but finally, when I commenced suit, upon the advice of their attorney they paid it.

Q. That was done, you think, two years or more ago?—A. It must have been three years ago, I reckon.

Q. Are you certain that was not done after Mr. Lilley's resolution was introduced?—A. Oh, no; no indeed.

Q. What is the relation between you and the company at the present time?—A. They are very unfriendly. I represented Mr. Holland's new design for the last two years at the Navy Department. Mr. Holland has patented a new submarine boat which he claims can make 25 knots an hour under water, against 5 of the Lake boats. Mr. Holland, after his termination of his connection, which terminated about the same time that my connection did, with the Holland Company, conceived the idea that he could improve his boats that are now owned by the Electric Boat Company, by designing a boat that would run submerged under the water at least 25 miles, as against 9 miles of the Electric Boat Company and 5 miles of the Lake Boat Company, and he got the Secretary of the Navy to test his models down here at the Government tank at the navy-yard. The result of those tests showed that he could do it, and that he could accomplish that by changing the bow of the boat from the blunt bow that the Holland boat has now to the sharp bow such as our cruisers have, that the resistance of the water would be lessened, and instead of presenting a broad, blunt bow to the waves and water so that it would press against the water, it would cleave into it and the water would divide—the same as our swift yachts are built. In order to get that

arrangement, he had to take all of his weights, the majority of them, and concentrate them in the middle of the boat, and Lieut. Lewis Nixon, formerly a lieutenant in the Navy, whom we all know by reputation, had purchased an engine from France, which was very compact and very small and got an immense horsepower.

After consultation, they arranged their drawings and everything else so that with the little engine in this boat they got twice the authorized horsepower that could be gotten into the Holland boat, and the model tested at the navy-yard under the supervision of the Navy officers showed that speed could be obtained. I presented the drawings to the Navy Department and asked that a board be appointed or that the Secretary appoint a board of two officers. Those officers carefully examined, went over the design with Mr. Holland, and recommended it of such importance as to have it considered by the full board on construction. That board sat an entire day, hearing matters, hearing Mr. Holland, and examining the drawings, and while they practically reported that they thought speed under water could be obtained from Mr. Holland's new design, that the tendency to dive would be at such a great speed as to endanger the lives of the officers and crew, which reminded me of some reports that we used to get from the board on precisely the same subject some ten years ago. They said we could not dive and make a run of 6 miles an hour without running aground or something. We abandoned that then, some four or five months ago, and have gone to foreign countries, and expect to get a contract of four submarine boats within a short time under those designs and drawings.

Q. So that Mr. Holland went out of the Electric Boat Company——A. He went out about the same time I did; he had a limited appointment as engineer of the company.

Q. He then obtained patents which he and you believed resulted in an improved boat?—A. Yes, sir.

Q. And you are both interested in having that boat adopted?—A. We are.

Q. That makes you rivals of the Electric Boat Company?—A. Both companies.

Q. Lake Company and Electric Boat Company?—A. Yes, sir.

Q. Does that rivalry contribute to the state of feeling between you and the officers of the Electric Boat Company?—A. Oh, no; I am interested in submarine boats, and I think that it could be demonstrated that we could go under water and meet a battle ship and overcome her; she can not make over 16 miles an hour under forced draught; we make 25 or 30; we could chase her, run her down, and blow her up, and it would be a much more valuable invention than anything ever presented.

Q. What are your relations with Mr. Frost?—A. Well, sir, I have not seen Mr. Frost for five years, and I have not seen Mr. Holland for five years.

Q. What Rice?—A. Mr. Rice, the president of the company.

Q. Have you seen Frost, or any other representative of the company, in that time?—A. I met Mr. Johnson a few minutes ago in the passage, that is all.

Q. Who is Mr. Johnson?—A. Local attorney of the Holland Company in New York.

Q. Local attorney here?—A. Local attorney in New York.

Q. For the Holland Company?—A. Yes.

Q. What conversation did you have with Mr. Johnson?—A. Well, I congratulated him on getting me into his company again without compensation this time.

Q. What reply did he make to that?—A. He said he was glad to have me.

Q. You came in gratuitously this time?—A. I expect to get my fee from the Sergeant-at-Arms.

Q. Did you indulge in any criticism of the methods employed by the Electric Boat Company to Rice?—A. No, sir.

Q. To Frost?—A. No, sir.

Q. Not at any time?—A. I do not recollect.

Q. At any place?—A. Indulge in any criticism?

Q. Of the methods employed by Mr. Rice and Mr. Frost in pushing the interests of their boat company?—A. Oh, no; I don't recollect. I did not know anything about his methods; I did not know anything about his methods.

Q. You then never indulged in any criticism?—A. I do not recollect.

Q. What was your frame of mind with reference to this investigation at the time Mr. Lilley's resolution was introduced?—A. Well, I don't know that I had any.

Q. Did you give any information or offer to give any information to any person, to Mr. Lilley or any person, to further this investigation?—A. No, sir; I did not want anything to do with it. There was a gentleman, a newspaper correspondent, called at my house some two or three weeks ago, after this resolution was introduced.

Q. Who was the correspondent?—A. A correspondent of a New York paper.

Q. What was his name?—A. I have forgotten his name.

Q. What was the paper—what was the name of the paper?—A. I think he said it was the New York World. I told him I did not know anything about the methods of the company; he said Mr. Lilley would like to have my description of the methods of the company. I did not know anything about the methods of the company, except when I was conducting it, and I want to say right here, gentlemen——

Q. Have you no means of remembering who that newspaper correspondent was?—A. No, sir; I didn't even look at his card; he handed it in to me. He was a very pleasant young fellow.

Q. Left his card?—A. Left his card. I did not look at it.

Q. No effort to conceal his identity?—A. Well, sir, I didn't pay much attention to him.

Q. Were you so impressed—that he was attempting to conceal his identity?—A. Oh, no; oh, no.

Q. Perfectly frank with you?—A. Certainly; a very pleasant young gentleman.

Q. Did the card that he presented bear the name of the newspaper that he represented?—A. I did not look at it. To tell the truth, I went to the door, and he said, "I am a correspondent of the New York World." I invited him into the parlor, and he sat there and chatted over half an hour.

Q. Will you please state substantially, just as near as you can recall, what he said to you about this resolution and about Mr. Lilley's

interest in knowing what you knew?—A. Well, I think he brought in Mr. Lilley's name—brought it up incidentally. I think he said that Mr. Lilley would be glad if I could tell something about the methods of the company. I think that is about his expression. He did not come as a messenger from Mr. Lilley; he just simply said Mr. Lilley would be glad. I said I would like to accommodate Mr. Lilley, but I did not know of any methods of the company except when I was concerned with it, and then we got to talking about this new invention of Holland's, and it came out in the New York World the next day, a long article about it.

Q. Mr. Creecy, will you look over the room and see whether you can identify the gentleman?—A. Well, sir, I think that is the gentleman there [referring to Mr. R. W. Wooley]. I want to say that this gentleman came to me as a New York World reporter for the purpose of getting any news that he could for the benefit of his paper, and I think that he said that Mr. Lilley would be very glad if I could inform him of some of the methods, and I laughed and told him if I knew of any wrongful methods, he would not get it out of me, and if I knew of any good methods, I supposed the company would tell about it.

Q. Did you not say several times in the course of your examination that the company would never have adopted any wrongful methods; that you would have prevented it?—A. Yes, sir.

Q. Now, you say if there had been any wrongful methods you would have suppressed it?—A. I would not have given it to the newspapers.

Q. That was equivalent——A. Yes, sir; I do not believe in the publication of any kind of business. I want to say right here, Mr. Chairman and gentlemen of the committee, that when I had the management of this company, as I told this young gentleman in my house that evening, we did not have to pay newspaper men; they ran over us for news. We invited them to all of our exhibitions and tests, New York papers and all the papers, and when we had a test down the river every newspaper man in Washington was invited.

Q. You never paid newspapers anything?—A. No, sir; never had any occasion. There was the keenest kind of rivalry to get news amongst them. On one occasion we accidentally missed a certain newspaper—I think it was a Washington paper—missed extending an invitation to one, and all the others got it, and I had the greatest trouble placating that fellow; he thought he had been intentionally insulted; and on another occasion the Washington Post correspondent came up, a young gentleman like this one here, and wanted to get information about the company and everything else, and he finally said —I told him I did not have the time to spend on that sort of thing, I was a very busy man, and he said: "It would help me with my paper if you would give me an interview," so I dictated to him an interview commencing with the Napoleon Bonaparte episode, where the French engineer wanted to get his army over——

Q. Did you mean to say the persuasion always came from the newspaper men?—A. Always; never had occasion to pay a dollar—there was no necessity.

Q. Do you mean by an allusion you make to the visit of this gentleman representing the New York World to be understood that Mr. Lilley procured him to come to you?—A. Oh, no.

Q. During the time, Mr. Creecy, that you were connected with this company were there any rival companies submitting or presenting their invention to the Government for adoption?—A. The last year I was connected with the Holland Company the Lake boat turned up in Congress, and we had quite a time in the Senate Committee on Naval Affairs. The Lake boat was represented by ex-Governor Voorhees, of New Jersey, while General Butler and myself were the representatives of the Electric Boat Company, and Admiral Bradford and several naval officers were there endeavoring to get an amendment put upon the naval appropriation bill, which they claimed was for the benefit of the submarine boat.

Mr. OLMSTED. Which submarine boat?

The WITNESS. Not any boat, but submarine boats in general.

By Mr. HOWARD:

Q. Whom did they represent?—A. They represented the Navy Department; they were Navy Department officers. They wanted an amendment put on the appropriation bill, and they advocated their side of it. General Butler and myself drew up an amendment which we asked to be substituted for both of those gentlemen's requests, one representing the Navy Department and the other representing the Lake Boat Company. General Butler and I contended that the amendment offered by Admiral Bradford and the Navy officers was really intended to defer any more purchasing of submarine boats in the Navy, and it was not intended to be for the benefit of submarine boats, as they claimed, at all; that the phraseology was entirely wrong, and we claimed that the Lake boat, being simply in an experimental stage, never had reached anything beyond the claims of its inventor, while we had practical boats that had been adopted and had seven or eight in the service, and it was not a question about whether Mr. Lake was to be accommodated; it was a question of whether the country should have submarine boats to defend its coasts and harbors, and taking that view of it we insisted that the appropriation should be made directly to buy such boats as the Navy Department was sure were in actual operation and in the Navy, and not wait for experiments of the Navy officers or of the Lake Boat Company. The naval committee took our view of it and put our amendment in the naval appropriation bill, but it went out in conference.

Q. Now, what were your methods in combating the claims of this rival company before either Congress or the Departments?—A. Well, they never appeared before the Departments—the Lake boat.

Q. Did you appear before the Department?—A. Not while I was in——

Q. What were you about to say about Mr. Lake?—A. Mr. Lake never was in the Department applying for a contract that I recollect while I was in charge of the business, but he did at hearings before the Senate Committee on Naval Affairs at the time I have just recited. He there made the astounding declaration that Congress had made a lot of appropriations for the Holland submarine boats and he did not know anything about it, and Mr. Hale wanted to know where was he; didn't he know the Capitol was there? He said, well, he didn't know there was anything going on. His complaint was, Congress had no business to make appropriations for boats without him being notified.

Q. Do you remember what year that was?—A. That was in the year 1902, Senate Naval Committee.

Q. Did you appear that year before the House Naval Committee?—A. I do not think I did.

Q. Do you recall who else appeared for the Lake Company at the time you refer to?—A. I don't remember anybody except Governor Voorhees.

Q. Do you remember whether or not the Lake Company were insisting that there should be an amendment to the Naval appropriation bill providing a limit when boats should be tendered for competition?—A. No, sir.

Q. Do you remember any such occurrence as that?—A. I do not recall that.

Q. Was that company making any such contention, offering any such amendment to the Naval Committee of the House?—A. We have always contended that the Naval Committee should appropriate money for a boat that had been adopted by the Government and not defer waiting for the experiments of other inventors. We always contended that Congress having itself passed mandatory laws providing for five boats, authorizing and directing the Secretary of the Navy to contract for five Holland submarine torpedo boats to be built under the plans and specifications of the Holland Company, and they having been built and the Secretary having contracted for two or more under that late appropriation that was made in 1896, and having purchased the Holland, that the country ought to be supplied with submarines, and not wait for those experimental vessels to find out whether they could ever accomplish anything or not.

Q. Now, during the entire time you and any of the Lake Company were undertaking to get legislation in favor of the adoption of submarine boats did you——A. Not the adoption; we were asking for an appropriation to continue the purchase of Holland submarine boats; not for its adoption; it had already been adopted.

Q. You did not want that question to be opened up?—A. No, sir; we did not want to be run into opposition with men conducting experiments who might not be able to supply a boat at all.

Q. Had you then gotten on the inside?—A. Congress had put us on the inside.

Q. And had shut the door on the Lake people?—A. Congress had appropriated money, directing the Secretary of the Navy to buy five boats, and I am very frank to say to-day that if it had not been for the mandatory directions of Congress I do not think there would have been a submarine boat in our Navy.

Q. Now, then, in the efforts, if there were any efforts, of your people to keep the Lake Boat Company from opening this Congressional door, what methods were employed by you or any of the agents of the company?—A. No, sir; we had no objection to Congress appropriating money to help Mr. Lake along in his experiments.

Q. No; we are not after the manner of experiments. I am after the maner of making the conditions of the naval appropriation bill such as would give equal opportunity to each company or favor one to the disadvantage of the other.—A. Well, Mr. Chairman and gentlemen, we took the ground that the Lake boat was a wholly experimental boat.

Q. That was a matter of argument?—A. Yes.

Q. Where did you use that?—A. Before the Senate Naval Committee.

Q. Where else?—A. I think that is the only place.

Q. Now, what other means or arguments were resorted to by your company through other persons different from that?—A. I do not recall anything that was ever done by my company except that argument that was made by Senator Butler and myself about the policy of the Government; we thought it was the duty of Congress.

Q. That was open and aboveboard in committee meetings?—A. That was all we did.

Q. Nothing else?—A. Nothing else.

Q. That you swear positively from a clear recollection of your acts in connection with the boat company's interests?—A. As I told you, my term was just about expiring when this controversy arose.

Q. I am asking the question to cover the period of time when you were actually interested.—A. No; the Lake boat was no competitor with us then. Our opposition mainly, when I was there, came from the Navy Department itself. We had the chief of bureau, some engineer, came before the committee of Congress, sent his assistant, Edwards; they claimed the Holland submarine boats were death-traps, liable to kill everybody. The Secretary of the Navy would not even order an officer to go down in the *Holland* because of fear of his life. Our whole fight was with the prejudiced officers of the Navy Department.

Q. In overcoming that prejudice did you employ any other means than persuasion?—A. I think the crucial point of our getting over those prejudices was the declaration before the House Naval Committee after the exhibition of the *Holland*. He said to the House Naval Committee when asked the question what he thought——

Q. Who was that?—A. Admiral Dewey. He was back from Manila fresh in his glory; everybody took his advice about war vessels, and he said to the House committee, "If two boats of the Holland type had been in Manila Bay I could not have entered that bay with my fleet." That settled the question for the Holland boat.

Q. Was that the hearing at which Representative Cummings, of New York, offered an amendment to the naval appropriation bill to build twenty?—A. I drew the amendment and asked him to offer it; asked Cummings to offer it, and he did it.

Q. Was that Mr. Cummings's first conversion, your solicitation that he offer the amendment?—A. No; Mr. Cummings had been down and had seen the exhibition and it was perfectly apparent to a layman—it didn't require an expert—perfectly apparent to the layman that the Holland boat could go out and blow up the enemy's fleet, and Amos Cummings came back with the same notion that I think about 150 Members of Congress had that saw that exhibition.

Q. How many boats did Admiral Dewey recommend in that hearing?—A. I think he never made a recommendation in writing; he made a recommendation to the committee.

Q. No, in the hearing before that committee.—A. I know that he advised the purchase at that time of a number; I have forgotten how many; I think 10, but you have the hearing before you, you can ascertain; you have his testimony there.

Q. That was the greatest triumph in the history of the boat company?—A. That was the crowning of the Holland boat's years of

patient toil, perseverance, disappointment, pecuniary loss, everything else was solved that day and its success assured when the Admiral of the Navy said he could not have taken his fleet into Manila Bay if two of them had been there.

Q. That was when you began to go down hill?—A. Well, I got buried then with glory.

Q. Do you know how many submarine boats the Government has bought, are building and in service, and those under contract?—A. I don't know now, no; I could tell you when I left.

Q. Things have advanced somewhat since then.—A. Yes; I think they have got six or seven since I left.

Q. But you do not know how many now?—A. No.

Q. How long does it take to build boats from your knowledge?—A. Well, I don't know; that depends entirely upon the new improvements. They are constantly putting new improvements into these new boats. I understand some of them suggested by the company, and some of them suggested by the naval officers.

Q. Have you had any actual experience with the construction of these boats?—A. No, sir.

Q. Have any of the members of your company such experience apart from Mr. Holland?—A. Well, Mr. Spear was a naval constructor in the Navy.

Q. Was he a member of the company?—A. He was engineer.

Q. Was he connected with it when you were?—A. Yes, sir.

Q. The company consisted of what—what was it—what did the company consist of when you were a member of it?—A. General Butler and myself, in Washington——

Q. You started with a charter; it was a corporation?—A. Yes, sir.

Q. You started with a charter?—A. I started with a blueprint.

Q. And you got an office?—A. No; I had my own office.

Q. The company had an office?—A. No; the company did not have an office in Washington until 1902.

Q. They remained nomadic, then, until the Dewey testimony?—A. The Electric Boat Company has a great deal of other business besides Holland Boat Company business.

Q. What is it?—A. They are building electric engines—Mr. Rice is the president of it—they were building, as I understand it, storage batteries; Mr. Rice controlled the storage-battery company, and he furnished Holland and trusted us for it, for storage battery.

Q. As a matter of fact, it consisted of a charter, office, agents, and blueprint?—A. Great inventor and twenty-eight patents.

Q. That was stock in trade?—A. Stock in trade; it has been adopted by other companies.

Q. In the expenditure of money by your corporation, apart from actual money going into the construction of a boat or of a model, were there any expenses except the expenses of offices and agents; could there be any?—A. I could not tell that. I could only speak from my own knowledge in Washington.

Q. What was the capital stock when you were given shares?—A. Four hundred thousand dollars; it was not worth $4.

Q. What was it increased to?—A. I don't know; I could not tell you. I know they made one increase and let me out; I did not get my proportion of stock, and I raised a great howl about it.

Q. Who left you out?—A. Frost; I claimed that I ought to have had the same proportion of the increase in stock. It was a matter of principle; it was not worth anything, but I thought I ought to have had my proportion of it.

Q. You were frozen out twice, then?—A. I suffered.

The CHAIRMAN. Are there any other members of the committee who would like to ask Mr. Creecy any questions—Mr. Lilley or any other members of the House who are present who would like to ask Mr. Creecy any questions? [No response.]

Is there anyone present who is interested in this investigation who desires to ask Mr. Creecy any questions or have them asked through members of the committee. General Butler, if you wish to ask Mr. Creecy any questions, you will submit them to the committee in writing.

General BUTLER. I prefer to get Mr. Howard to ask Mr. Creecy direct. I want to get information on one point; I don't know whether Mr. Creecy can give it or not.

The CHAIRMAN. Sit up by Mr. Broussard and suggest it to him.

General BUTLER. In what district is the Lake Boat Company located?

Mr. HOWARD. That appears in the hearing.

Mr. OLMSTED. That is already brought out in the testimony heretofore taken.

Mr. OLMSTED. Yes.

General BUTLER. In his district?

The CHAIRMAN. The committee wishes it distinctly understood by the Members of the House or of the Senate or connected with the Government, directly or indirectly, in these hearings that the most rigid system of cross-examination will be followed if suggested by them or any one of them to this committee. If there are no further questions which anyone interested in this investigation wishes to propound to Mr. Creecy, he will be excused.

Mr. CREECY. Mr. Chairman, my brother is here, and he wants to get off to New York this evening. He does not know anything about this company or anything about it. It will take a very few minutes if you will hear him and let him get away.

The CHAIRMAN. Mr. E. W. Creecy will be called.

TESTIMONY OF MR. E. W. CREECY.

Mr. E. W. CREECY, being first duly sworn, upon being examined testified as follows:

The CHAIRMAN. Mr. Stevens, will you ask the questions of Mr. E. W. Creecy?

By Mr. STEVENS:

Q. Mr. Creecy, what is your name?—A. Edward W. Creecy.

Q. Age?—A. Sixty-two.

Q. Where do you live?—A. Howard County, Md.

Q. What is your business?—A. I am not in any business particularly at present.

Q. What has been your business?—A. I have been in the business of representing a firm in Bridgeport, Conn., quite a while, a manufacturing concern.

Q. In what line?—A. Guns and such things as that, and ammunition.

Q. Where have you made your headquarters?—A. Principally here, sir.

Q. Washington?—A. Yes, sir.

Q. Business before Departments?—A. Yes, sir; Treasury Department principally.

Q. What is the scope of your work here?—A. It was selling guns and ammunition principally to the Revenue-Cutter——

Q. Did you have any business with the War and Navy Departments?—A. I don't think I ever had any business with them.

Q. Did you have any business with Congress in that connection?—A. No, sir.

Q. Did you have any connection with the Holland Company or the Electric Boat Company, as has been testified to by Mr. Charles E. Creecy?—A. None whatever.

Q. Have you ever had any knowledge of their affairs in your work here?—A. No, sir.

Q. Are you acquainted with their agents, attorneys, or representatives here?—A. I know Mr. Frost and Mr. McNeir.

Q. How long have you known them?—A. I think I have known Mr. McNeir about eighteen years.

Q. How long have you known Mr. Frost?—A. Off and on practically six or seven years, maybe more, sir.

Q. Have you had any business relations with them?—A. Never.

Q. Have you had any business relations with Mr. Charles E. Creecy while he was connected with the Electric Boat or the Holland companies?—A. No, sir.

Q. Have you or your concern ever had any business with them to your knowledge?—A. No, sir; never.

Q. What was the name of the company that you worked for?—A. The American Bridge Manufacturing Company.

Q. Of Bridgeport?—A. Formerly the American Ordnance Company.

Q. Did you conduct any business outside of Washington for your company?—A. I think not, sir.

Q. Did you represent your company in other cities?—A. I don't think ever outside of this city.

Q. Did you ever represent your company in any dealings in Connecticut—Bridgeport?—A. You mean the American Bridge Manufacturing Company?

Q. Yes; did you ever represent your manufacturing company in any dealings in Bridgeport, Conn., with the Lake Company or any other boat company?—A. Never.

Q. Did you know anything about the relations of your brother with the company as to the suit or matters in dispute testified about?—A. No, sir; I did not know anything about it.

Q. Did you have any connection with it in any way?—A. None, whatever.

The CHAIRMAN. In accordance with the previous statement by the chairman, is there any one who wishes to have any interrogatories propounded to Mr. E. W. Creecy? If not, the witness may be excused. (No response.)

TESTIMONY OF MR. C. E. CREECY—Recalled.

By Mr. HOWARD:

Q. I wish to ask whether you have in your possession or under your control any contracts, vouchers, checks, check stubs, correspondence, memoranda in writing between yourself and the Holland Boat Company or the Electric Boat Company or any of the officers and agents of those two companies, or with any other person or persons, including attorneys, newspaper correspondents, and officials of any kind, in connection with the affairs or efforts of either of said companies?—A. I told the chairman and the committee before that last spring I had an office cleaning, and that I think it was about May of last year, and I had an accumulation of twenty-five years of papers in my office, and I destroyed them all, including not only the Holland Boat Company's matters but various other companies', of all the useless papers that I had. I never dreamed there was going to be any trouble about the Holland Boat Company, and I have nothing at all.

Q. Have you any paper of the description that I have read in this question?—A. I have not. I am very sorry that I destroyed them, because I would have produced them here.

Q. Was the Holland Boat Company or the Electric Boat Company or any other person instrumental in procuring you to destroy those papers?—A. I think there must have been half a ton of papers. I had a vast accumulation of pamphlets, books, papers, correspondence, of things that occupied one entire cabinet on Holland boat matters alone. I had the Lessler hearing, and, in fact, I had to go and borrow one from a friend of mine——

Q. That is of a documentary nature.—A. Well, sir, I mean to say that I destroyed everything—all those old papers of twenty-five years' accumulation; sent them out of my office and sent them down and had them burned up. I am a very busy man, have a great deal of business, and had accumulations piled up in my office; mice were making their nests in them, and I determined to clean them up.

Q. I understand you to say you have no paper of the description of the papers enumerated in your possession or control, and that all such papers in your possession were destroyed by you voluntarily?—A. Oh, yes; last spring.

General BUTLER. I would like to ask Mr. Creecy a question. If he has any contracts or papers that I made for the company?

Mr. CREECY. No; I haven't any; I explained that to the committee.

General BUTLER. I want to state, Mr. Chairman, if I can find them, I will send them to the committee with a great deal of pleasure. I may not have them. If I have, I will send them to the committee.

Mr. CREECY. I have nothing at all to conceal from the committee. I am in the same standing as General Butler, and I take the ground, with General Butler, that there is a very great legal distinction between lobbyists and a lawyer appearing before the committees of Congress, and the position that General Butler and myself take is laid down in the case of Grist against Childs (21 Wallace). That was a case where persons were engaged lobbying in Congress. Some one said get even the influence of a page in the House of Representatives, and it will help your bill.

Q. I want to call your attention to this: We understood your testimony to be that March 4, 1903, your services for this company terminated?—A. Yes, sir.

Q. Your contract?—A. Yes, sir.

Q. It was never renewed?—A. No, sir.

Q. We understood you in another part of your testimony here that your services for the company practically ended with the year 1902?—A. Yes, sir.

Q. We would like you to make it as definite as possible when the services did actually terminate.—A. When it was practically ended?

Q. Whether you have had any correspondence with them since or had any business relations with them at all since?—A. I have never had business relations with the Electric Boat Company or any of its officers or members since the termination of my contract.

Q. That dates from March 4, 1903?—A. 1903.

Q. Now, then, what was the last act performed by you in their service prior to March 4, 1903?—A. The last service was, I think, merely to put in my appearance in the House committee at its hearings on the naval appropriation bill in 1903. I had nothing to say and simply was requested to be present. There was a large number of Navy officers who gave their testimony in favor of the Holland boat. They came down from Annapolis. The Holland boat was then in the possession of the Government; they had bought it, and they were called, at Mr. Frost's request, by the chairman of the committee, to give testimony as to the value of the *Holland* and what she had done since she came into possession of the Government. There was some half a dozen young officers, and I didn't have anything to do but to sit there and listen to them. That was the last service I rendered. I want to say one thing about Lieutenant Spear, because of his value to the submarine boat company while I was in their service. We had a contract for seven boats. We found we had great difficulty in getting up to the stated requirements and Mr. Frost was advised by someone to employ Lieutenant Spear, who was one of the bright young naval constructors of the Navy. We found it was impossible to get that speed up to the requirements of the contract, and I want simply to compliment Lieutenant Spear by saying that it was through his efforts that the boats came up to the requirements in regard to speed.

Q. So that you triumphed through skill, and not persuasion?—A. There was not much persuasion in that.

By Mr. OLMSTED:

Q. Mr. Creecy, you have already stated that your connection with the company, the Electric Boat Company, ceased on the 4th of March, 1903?—A. Yes, sir.

Q. You have also testified that in the spring, about a year ago, you destroyed a good many papers?—A. Yes, sir.

Q. General papers, some of them, perhaps, relating to this company?—A. Yes, sir.

Q. I want to ask you whether those papers were all before or since March 4, 1903?—A. They were all before.

The CHAIRMAN. The witness on the stand identified Mr. Wooley, of the New York World, I think, as the gentleman who called upon him. I will ask Mr. Wooley to take the stand.

TESTIMONY OF MR. R. W. WOOLEY.

R. W. WOOLEY, being first duly sworn, upon being examined, testified as follows:

By Mr. HOWARD:

Q. Mr. Wooley, will you give your address?—A. 1336 I street, Washington.

Q. Your occupation?—A. One of the correspondents of the New York World.

Q. Do you recall making a visit to Mr. Creecy in the interests of your paper—to secure an interview for your paper?—A. Yes, sir.

Q. Will you state to the committee what, substantially, was said by you to him as an inducement to have him make any statement to you?—A. I will, sir. I called on Mr. Creecy on the evening of February 26. I just received a telegram from my office, saying that they had information that on the yacht *Grisalda*, I think was the name—I have been trying to find the telegram since I have been here; I find I haven't it in my pocket—stationed on a yacht, a steam yacht, a number of Members of Congress and newspaper men and invited guests were entertained at these trials off Newport which were held last May—submarine trials—and that a great deal of wine drank, and a number of women of doubtful reputation on the boat, and stating that Mr. C. E. Creecy, of Washington, who was an attorney of the company, would probably talk about it; they stated he would not object to telling what he knew. As soon as I received this telegram I went right up to Mr. Creecy's house, Rhode Island avenue, I think it is, between Thirteenth and Fourteenth streets; that is my recollection—and I didn't show him the telegram, because there was something of a confidential nature in it; I didn't believe it was my privilege to show him the telegram. That is my recollection. I asked him what he knew about this thing, and he said, "I have not been connected with the company for five years," and he said, "My actual connection ceased about six years ago, and therefore I do not know anything about it whatever." And we went on to discuss about it, and he told me about his having this other boat, being connected with Holland in his new invention, about the trials at the tank in the navy-yard, and I got very much interested in his story, what his experience had been with the naval board and how, after he found it was absolutely useless to go any further into the matter, he began to do business with a foreign country; and he expected, within the next few weeks to close a contract for four boats. I said, "Mr. Creecy, I should be very glad to say this, and I won't quote you," and I did write an article on that line on my own responsibility; didn't quote him in the information at all.

Q. Did Mr. Lilley, directly or indirectly, cause you to make this visit to Mr. Creecy for the purpose of obtaining any subject-matter on the purpose of this investigation?—A. Positively not. Mr. Lilley had no information whatever that I had any such telegram. My only talk with Mr. Lilley, whatever, had been in regard to whatever information he had to give out in this matter. I think all the newspaper men will say that after the first day Mr. Lilley was the most unsatisfactory man to get information out of.

Q. Did Mr. Lilley know of your intention to visit Mr. Creecy?—A. Not at all. The next day I saw Mr. Lilley in the usual round of my duties, and asked him if he had this article in the newspapers. My recollection is he said he did, and that he had heard of this boat. That is the only conversation that I ever had with him in regard to this matter.

Q. Did you follow up the information about the tests off Newport that you referred to?—A. I did, yes; and I tried to get another line of information to find out what it was; but I could not get any new line, as it were, on the matter, and my office sent another telegram, stating that they had information on the matter, saying that it was absolutely correct.

Q. Tell me, please, who your first telegram was from.—A. From the New York World. The telegrams are signed by the New York World.

Q. You have no knowledge of what individual of the staff of that paper sent the telegram?—A. I have not, sir.

Q. You got another telegram, you say, assuring you that this thing had happened?—A. Stating that this information is correct, that we have information in the office stating that it is correct.

Q. What did you find, if anything?—A. I did not, sir; I could not find any new source of information to work on.

Q. Did you find any original source of information apart from your telegram?—A. No sir, I could not; my only source of information given in the telegram was alleged to be Mr. Creecy, and Mr. Creecy, as I said, stated that he had no knowledge of their doings after he left them.

Q. And all further investigation resulted in no information?—A. In no information. I absolutely never found anything further and whatever information they have in the office they have never given to me.

The CHAIRMAN. Does any other member of the committee wish to ask any questions?

By Mr. OLMSTED:

Q. Mr. Wooley, I show you a communication printed in the New York World of Sunday, March 8. It appears to be a special to the World from Washington, dated March 7.—A. Yes, sir.

(The item referred to is as follows:)

BEATEN AT START, SO LILLEY SAYS—PROSECUTOR DECLARES WHITEWASH ALREADY IS PREPARED IN SUBMARINE SCANDAL.

[Special to the World.]

Washington, March 7.—Representative Lilley was notified to-day that the special committee to investigate the Electric Boat Company will hold its first regular meeting Monday morning, and that he will be expected to appear and furnish whatever information he has as to corrupt practices by that company. All names given will be treated in confidence until the witness actually appears before the committee. Moreover, summons will be sent out as short a time beforehand as possible.

All hearings will be open to the public and Mr. Lilley is to be allowed to have a lawyer present to coach the committee. In spite of this, the Connecticut man is still angry because the Speaker failed to appoint him chairman or even a member of the committee. He declares that he is beaten at the start and that the whitewash for the Electric Boat Company already has been prepared.

Q. Was that written by you?—A. Yes, sir.

Q. You say here, speaking of Mr. Lilley, "he declares, etc." Did he declare that to you?—A. He had made the statement in my presence that he considered that the manner in which this investigation was going to be held—or words to that effect; I can not remember the exact words; Mr. Lilley was very angry at that time—he believed it was going to be a whitewash at the start.

Q. Then this article is correct?—A. Practically. I did not quote Mr. Lilley direct, because he did not authorize me to quote him.

Q. Is this practically what he said?—A. Mr. Lilley was very much dissatisfied, and said so in talking. As I said, Mr. Lilley never stood for any interview that was not absolutely authorized and written out; therefore I never quoted him except it was written and shown to him. I stated that in that story to show the frame of Mr. Lilley's mind and how he regarded the thing at the outset.

Q. You say "Mr. Lilley declares?"—A. Well, he did state that the thing looked like a whitewash from the start.

Q. Where did this conversation occur?—A. Well, I had several conversations with Mr. Lilley in a casual way, and I could not state; my recollection is that it was in his room, but it may have been in the lobby of the House, in the corridor of the House.

Q. Who else were present?—A. There may have been another newspaper man present, but I do not remember; as I say, we saw him so frequently.

The CHAIRMAN. Any other questions desired to be asked?

The WITNESS. I wish to state, however, in justice to Mr. Lilley, that he made no criticism of any one member of the committee or any member of the committee, in fact; but he said the system was what he attacked. He did not believe this was the proper idea; he thought he ought to be allowed to be represented by counsel, and that the cross-examination should be made—all parties concerned should be allowed to participate in it—and that is why, in stating this, he said he believed he was in for a whitewash.

Q. Let me call your attention to that—that this was written before the committee had met or made any declaration about counsel.—A. No; the committee had held some informal meetings and the information had been passed around then, apparently. I remember now that appeared last Sunday. Saturday, a week ago, I believe, was the first regular meeting of the committee—that is, at which testimony was taken; or last Monday morning, was it not?

Q. That is right.—A. There were two or three informal meetings beforehand, and, if I remember correctly, I saw Mr. Boutell, and he gave us an outline of what had been done to that date at the former meetings, and the information had been passed around—not officially, but unofficially—that there would be no counsel present.

Mr. STEVENS. You do not claim that this is Mr. Lilley's language?—A. No; I said about that that was his sentiment; as I said, I did not quote him directly, because Mr. Lilley never stood for an interview unless it was written out, and that was the attitude of Mr. Lilley at the time on that day.

The CHAIRMAN. Anyone else?

The WITNESS. I would like to state, Mr. Chairman, in regard to Mr. Creecy's evidence. Mr. Creecy made the statement that he thought he remembered that I said Mr. Lilley would like to have this infor-

mation, and I would like to have it. I think Mr. Creecy is wrong. I think because whereas Mr. Lilley's name was mentioned in connection with the investigation he could not have said that, because I had gone to Mr. Creecy's house within five minutes after I had received that telegram.

TESTIMONY OF FRANCIS PRESTON BLAIR SANDS.

FRANCIS PRESTON BLAIR SANDS, being first duly sworn, upon being examined, testified as follows:

The CHAIRMAN. Mr. Stevens will propound the interrogatories to Mr. Sands.

By Mr. STEVENS:

Q. What is your name, age, residence, and occupation?—A. Francis Preston Blair Sands; I am a resident of Washington City; born here on the 16th of January, 1842.

Q. Have you lived here ever since?—A. I have lived here ever since, except the time I was in the service of this country at sea—in the Navy.

Q. When was that?—A. I was first in the Coast Survey, a recorder in the Coast Survey, for six months. I was afterwards hydrographic aid in the coast service. We surveyed from Philadelphia down to the Gulf, serving around coastwise and surveyed the Gulf of Mexico and on the coast of California——

Q. It is unnecessary to go into those details. What part of the Government service have have you been in?—A. I was in the Navy, came back from California and entered the Navy as acting ensign, and served on the blockade off Cape Fear, finished in the service on the blockade with the capture of Fort Fisher, and enjoyed and participated with my brother, who is now a rear-admiral in the service—my father was a rear-admiral——

Q. When did you leave the naval service?—A. Well, sir, I left the naval service after a cruise in the Mediterranean in 1867. I then took up from page 84 of Blackstone, and finished my college education at Georgetown, and I entered the office of Mr. Davidge, and also the Columbian University, now the George Washington University. I graduated, and since 1869 I have been admitted to the Supreme Court bar and have been practicing my profession as a lawyer here from that time down to this, and am still engaged in the active practice of my profession.

Q. Did you ever have any professional connection with the Holland Submarine Company?—A. With the Holland Torpedo Boat Company in 1896.

Q. What was your connection?—A. My connection was that these gentlemen, having ascertained the fact of my knowledge and experience in coast survey, my knowledge of and service on the blockade—particularly at the entrances of the inlets and the bars both sides of Cape Fear River, having been there when the squadron was driven off by the ironclad *Raleigh*, which came out in the middle of the night and drove our fleet away—having known that I was also personally acquainted with Gen. D. T. Mertwao, whom I had met in the Mediterranean as a youngster, and had known him intimately, they came to me and said——

Q. How did these gentlemen become acquainted with this history?—A. From me. I gave them the information.

Q. How did you happen to give it to them?—A. I think I met them in Mr. Creecy's office one day when I was over there. I had been with Mr. Creecy, working with reference to a pneumatic dynamite gun carriage, and I mentioned that fact. I had met Mr. Frost and liked him very much, indeed; our families became intimate——

Q. Whom did you meet down there?—A. Mr. Frost and Mr. Creecy suggested to them that Mr. Sands's services might be useful to them.

Q. When was that?—A. In 1896. The exact month I can not give you.

Q. When did they give you a retainer?—A. They did not give me a retainer.

Q. Did they give you a contract?—A. Yes, sir; they gave me a contract.

Q. In writing or oral?—A. It was in writing.

Q. Where is it?—A. I think I have a copy of it. If it is not in New York I have a copy of it in my office.

Q. Will you produce it?—A. It has nothing to do with the Government whatever. I was proceeding to state because of my intimacy with General Mertwago, they said, "We would like to employ your services to get a contract out of the Russian Government for the construction of our boats." I said I would gladly do so. My contract read that if I could get a contract from the Russian Government for the construction of these submarine torpedo boats they would pay me a certain percentage upon all boats that were so contracted for. I declined to accept that. I added to the contract that this contract is to apply and to run on any boats that might be built of the type of these by the Russian Government or for the Russian Government or acquired by it, to contracts. I did not want to render services for several years and then——

Q. Did that contract have any application to any business of the United States?—A. Not the slightest, nor under any circumstances whatever; nor in any place have I ever approached or spoken to a Member of Congress or a Senator in respect of the interests or rights of this submarine boat.

Q. Was that contract ever changed from that or another substituted for it?—A. Never. My work related solely with Russia.

Q. Have you ever had any other contract or business relation with this company?—A. I had with Mr. Creecy. I want to state during the proceeding of my contract it became necessary for me to study all the harbors affecting Russia, the harbor defenses, and I also had studied our own harbor defenses, and I was familiar with a good many harbors, the tides and soundings, and everything in regard to it, and during the progress of my work with Russia I got from the company and its officers or from the Navy Department copies of the plans and specifications, and from the reports of Congress and from the reports of any officer that had made favorable reports to this company, and placed in the hands of my correspondents and had them transmitted to the maritime office in St. Petersburg. I also attempted to get a contract through Admiral Ahmed Bey. I carried him down the Potomac to see and inspect the boat as she lay at the navy-yard. My work resulted in 1900 in the Russian Government sending a com-

missioner over here to see, Captain Koretainikoff, inspector-general, and Captain Spscheiesikoff, who commanded the *Revigan* which was sunk off Port Arthur afterwards. My correspondence with Mertwago——

Q. I do not see any bearing in that upon this investigation. Will you state, so that the record may be complete, what, if any, contract relations you have had with either the Holland Boat Company or the Electric Boat Company, or any services of yours in connection with any Department of the United States Government or Congress or any other of its officers.—A. None whatever. I was going to say I had another contract. I do not want to conceal anything. That other contract was that by reason of the services the company recognized they had received a great deal of work of mine for which they had not paid, and Mr. Frost came to me and said: "We have not been able to pay you for a great many of your valuable services, and I want to make an excuse for paying," and he says, "What can you do?" I says, "I don't know as I can do anything further, but I might still do work upon my Russian contract, and I can do as I have done in the past, in view of the Navy officers that I can casually meet at the club and in other places, and I can get their views in regard to these boats, which I can communicate to you and you can use them."

Q. Naval officers of the United States?—A. Admiral Taylor——

Q. Was that a part of your contract?—A. A part of my contract to mention the people that I would speak to about it.

Q. Was that a part of any contract you had with the Holland Company or the Electric Boat Company?—A. Yes; just as Mr. Frost thought, that I would attend to that, and he paid me afterwards for it.

Q. Then, that was a sort of a——A. That was a private matter; and if the committee wish——

Q. Let us find out what the date of Mr. Frost's visit was?—A. That was in May, 1903; and I met Admiral Schley; I met Captain Capps, as he was then; I met Admiral Taylor, and we talked some about this boat. That is all I did. And all I got out of that was the little fee I was speaking about——

Q. How much was it?—A. He gave me $4,000. But the reason I wanted to go into that in detail was that he was seeking an opportunity to pay me for the services that I had already rendered.

Q. Did that terminate your relation with the company?—A. Absolutely. I have no relation with them at all.

Q. What was your consideration for Mr. Frost, in talking with these naval officers?—A. No consideration. I gave him advice and other knowledge that was necessary.

Q. What services did you render to him?—A. I wrote him a letter in regard to his failure to furnish me with information in regard to the performance of the boat at Newport; that I had intended to go with Admiral Dewey.

Q. Did you have conferences with Mr. Frost during that time?—A. No, sir; except as I would report. I made two trips to New York and told him what I had done——

Q. How many naval officers did you talk with?—A. Oh, five or six. I had talked with Capt. William W. Kimball for one. He was one of the men in this country, young naval officers, who had taken his life in his hands, who was very enthusiastic about this boat.

Q. Did you persuade these officers to take any——A. They didn't require any. They were enthusiastic. I heard one admiral say to another one that these youngsters would have to be repressed. That they were willing to risk too much. I have in my pocket a report that was made by Admiral Dewey's aide of his performances down the river. I was on a boat that went down the river—I persuaded Admiral Dewey to go himself——

Q. On the investigation Mr. Creecy told about?—A. On the investigation Mr. Creecy told about. And I had known the Admiral from a young man. And I went to him and I asked him to go, and he says, "I am too busy." I said to him, "Admiral, you will undoubtedly be asked as to the value of these boats and it will never do for the head of the Navy to be asked an opinion about a thing without his knowing about it," and he says, "Your position is sound. If you will come with a carriage I will go down and see it." He went down, and Senator Hale and several other gentlemen, I remember——

Q. Did you accompany Admiral Dewey as a part of your work for the company?—A. I did it at the request of Mr. Creecy. He knew of my acquaintance with the Admiral and with all of the officers. I have grown up with them in the Navy. I knew them when they were youngsters and met them very often in the club. I persuaded him to go down there.

Q. Did you go up to the Navy Department for officers and confer with anybody about it?—A. No.

Q. So that your work was in the nature of social work, as you met them at the club?—A. Met them at the club and talked with him, as I always have, on the merits of the boat.

Q. Is your compensation for that sort of work paid up the same——A. I didn't get it until I brought suit to get it.

Q. Where did you sue?—A. I sued in New York. My brother-in-law died pending the suit and I settled on a compromise.

Q. Upon what sort of a contract did you allege?—A. Upon a written contract. I just tried to mention to you. No, it is not a written contract, an oral contract. I reduced it in writing and sent it to him and asked if it was correct, and he said it was.

Q. We would like to have that contract produced.—A. I will be very glad to get it for you. I would have brought it this morning had I thought it was——

Q. You can send it in this afternoon. We want every scrap of paper that connects you with the company.—A. Certainly. I would like further to state in connection with this that for thirty years I have been transacting business before the Congress of the United States, and often, very often, drafting bills and introducing bills. I have been requested by Members to draft bills and I have been requested by committees to prepare the reports of bills that they had decided upon and told me their decision. On one occasion, representing a great corporation, I drafted a bill and carried it through the House unanimously. A committee opposed me and all the railroads around in the District opposed me. They opposed the bill in committee, and the committee passed it unanimously and the House passed it unanimously and the Senate passed it unanimously. This has a bearing, in that it has a bearing on professional ethics. It has been charged here that there is a corrupt lobby. I do not

wish, even by insinuation or by innuendo, to have my professional honor assailed by association or insinuation of that kind. I do my work, and always have done it, confining myself to the legal right of argument before the committees before whom I have appeared. I do not wish to be associated with what has been going through the newspapers in the recital of what has passed in this case. The lobby, one member of it, came to me and suggested: "Mr. Sands, the boys have it in for your bill. There was money at the bottom of it, but you conducted your case so cleanly, and as a lawyer, that we don't touch your work."

Q. What bill was that? Did it have any connection with this matter?—A. Not any. But I would say further in that connection that I was——

Q. What bill was it?—A. That was the Norfolk and Western Railroad bill, seeking an entrance into the District of Columbia.

Q. You were paid for that?—A. I was paid for that, although I would have received $10,000 cash payment and an annual retainer; but in the end they paid me $4,000 for my work. But I wish to state, Judge Wilson, Judge Shellebarger, and Mr. Davidge, and lawyers of that class twenty-five years ago, that through the objections that were being made by the papers everywhere because of the lobby, by the reputation of influencing legislation—I was one of those advocating then the passage, at the suggestion of the Judiciary Committee, of a parliamentary bar bill, under oath, and men qualified to argue upon the framing and construction of statutes and the cases that might come before committees in Congress, with the right to appear before them—and I don't like to be classed among the people that go around buying dinners and meals and cigars, or anything else——

Q. I wish to ask you a few questions that will not take very long. Have you engaged in any sort of work for these companies in the line of entertainment or entertainments with these naval officers?—A. Not at all.

Q. You have no conferences with Members of Congress, nor have you been connected with their publicity bureau?—A. No, sir.

Q. Have you conferred with any newspaper men or magazine writers on their behalf?—A. No, sir. I have given advice in regard to places where these boats could be used to great advantage, in the ports and river entrances of our country.

Q. Whom did you give that to?—A. I gave that to Rice and Frost and sometimes to Creecy, and suggested that it should be used to advise Members of Congress in those districts to look into the needs of their ports in respect to fortification or protection; and they used the information I gave them in regard to the type and the tides; it would be useful information that they could use in considering for themselves in deciding upon what they would do in respect to the usefulness of these things.

Q. Did you have anything to do with following up that information?—A. No, sir.

Q. In relation to reaching Members of Congress?—A. Oh, no; nothing; never did such a thing as that in my life.

Q. You don't know by whom that was done?—A. No, sir. I don't do that business. I don't know how to do it.

Q. You don't know whether or not that was done?—A. No, sir. All my relations with these gentlemen were simply social, outside of whom I transacted my business for them and reported to them.

Q. Did you incur any expenses in connection with your entertainment——A. No, sir; not any with them.

Q. Did you incur any expenses for the company when you made an inspection or when you had these conferences with these naval officers?—A. No, no, no.

Q. So that the company did not give you or allow you any expenses for anything of that sort?—A. No, sir. I got traveling expenses for going to New York to report once. I got, I think, $15 then.

Q. What occasion was that?—A. That was one of the two trips after 1903 when I went to New York to report to Mr. Frost what I had done, and the information, as far as I obtained it, from the naval officers with whom I had conferred.

Q. Have you any vouchers, checks, check stubs, correspondence, or memoranda in writing with the companies relating to their business in the United States?—A. No, sir. I have nothing of that kind that relates to the business. I have a great deal of correspondence with the Russian Government and Turkish Government, including my appointment by the Russian Government as legal advisor of the Government here in this country.

Q. Then your only instrument in writing with which this company is connected concerning the business in the United States is the contract or memorandum——A. Yes; but that does not concern any business with the United States. It does not relate to the business with the United States.

Q. Yes, but you did do business in the United States under it?—A. No; I spoke to these naval officers.

Q. Wasn't that a part of the business for which you were paid?—A. No, sir.

Q. Did not you write letters concerning it?—A. Oh, that was not in relation to any contract with the Government or any dealing with the Government. It was to gather information and give to them that they might use, to know what acquisition to favorable sentiment might be possibly made.

Q. Wasn't it your design to inform these naval officers and influence their minds favorably toward this company?—A. Undoubtedly it was, that I might use it with my Russian correspondence; and I wrote to them and gave the data. Otherwise I could not have——

Q. Wasn't it your design that their minds should be influenced favorably, so that the policy of the United States should be to use these boats?—A. I would not have attempted to advise a naval officer of the present day in regard to professional matters, such as this is. Their knowledge was so far superior to mine that I could merely lead the conversation around and ascertain what they thought, not that I should teach them under any pretenses.

Q. Then you did not bring to the information of any of these naval officers the facts that would lead them to adopt these boats as a part of our naval establishment?—A. Oh, no, no. They knew infinitely more than I did. The only occasion I would say was with Admiral Dewey. I persuaded him to go and see the boat with his own eyes; that is all.

Q. Where were these conversations with these naval officers that you have described?—A. One of them—generally at the club, as I would casually meet them.

Q. What club?—A. The Metropolitan Club. The one with Admiral Taylor was at the meeting of the directors of the Sons of the Revolution. I would say further that I never trespassed upon their official time, while they were on duty, to talk over these matters.

Q. In conferring with these officers, did you intimate in any way that you had a retainer or contract with the Electric Boat Company?—A. I always told them that I had a contract with this Electric Boat Company with regard to obtaining contracts with Russia; and that I wanted to get all the information I could from every source, from Congress, from the Department, from every individual officer whose acquaintance I had, that was favorable to it, that I might verify the employment. I made inquiry from Mertwago and Captain Fearson, who carried the only surviving vessel in the Japanese war above Vladivostok. He was a very great friend of the submarine.

Q. In your conversations did you discuss at all with them the policy of the United States in reference to submarines?—A. Never; I had no right to do that.

Q. Except in a friendly way?—A. Oh, yes; I just mentioned the fact that the policy—the policy was adopted when I had this conversation.

Q. But from time to time there were attempts made by your company——A. Not my company.

Q. By the company with which you were connected, to obtain additional appropriations or authorizations for these boats which required favorable consideration by the Naval Department. Did you have any conferences or conversations with any of the officers of the Naval Department which had to do with submitting these——A. Absolutely none whatever.

Q. In any way, directly or indirectly?—A. Not in any way, directly or indirectly.

Q. Will you submit any and all correspondence or papers connected with any business that you may have had with this company in its business with the United States Government or any of its branches or Departments?—A. I have no correspondence relating to their business with the Government, not one letter of any kind, nor any correspondence in relation to its business with the Government. You must have misunderstood me if you have that idea.

Q. As a part of your work under your retainer, for which you received $4,000, you made some sort of a statement or report to Mr. Frost, did you not?—A. I think I wrote one letter, possibly two. I might give you copies of them.

Q. We would be pleased to have them.—A. I will do that.

Q. Did Mr. Frost write you in relation to that?—A. I don't think he did. If he has, I will give you the letter very gladly.

Q. Please produce any such letter.—A. There isn't any letter between him and me that would have anything to do regarding these contracts with the United States Government or these appropriations. I would like to state this, so that you may understand. When they broke up their offices, he said they had no money. Says he, "Sands. I want to pay you." Says I, "I don't know what I will be able to do." He says, "I will do this: If Congress makes an appro-

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priation and pays us any money, I will give you $1,000—a fee equal to $1,000 for each of the boats that Congress may appropriate for, whether one or more."

Q. Then he was paying you a contingent fee on what you should do?—A. No; it was a promise I didn't know he would ever be able to fulfill; and when they did pass the appropriation for $400,000 I immediately jumped in for $4,000.

Q. Did you bring suit upon the basis of receiving compensation by the action of Congress?—A. Not a bit of it. On the contrary, my contention was that I was not employed to do an earthly thing with Congress——

Q. What was the allegation in your bill for services?—A. That he had assured the amount of my rate of recovery by the number of boats that were to be appropriated for, and that I was to give him whatever information I could get thereafter from the naval officers.

Q. For what purpose?—A. I do not know what he used it for. Says I, "It may be valuable or may not be. You may have nothing to guide you in whatever you may do."

Q. Did your labors result in obtaining any contracts for them with the Russian Government?—A. It did. They bought the *Fulton* and carried it across there. That was the first. And they also built—and they got paid in this way: They said they didn't make a contract with them; that the Electric Boat Company had made a contract with a Russian corporation and the Russian corporation made the contract themselves with the Russian Government, and they, the Electric Boat Company, had nothing to do with it; therefore my work had not——

Q. Was the case tried?—A. It was argued five times—three times in the supreme court of the State of New York and twice in the appellate division, and then it did not come to trial. When it got through the Russian—my last communication with Admiral——

Q. You did not recover?—A. They gave me enough to pay for the work I had been doing, and that is all. I found I could not maintain my action. I did not have money enough to retain a New York lawyer and had to let it drop.

Q. So you received nothing for your services with the Electric Company?—A. Nothing in comparison with what I ought to have. They ought to give me $100,000, but——

Q. You got $4,000?—A. I got about $6,000 in all.

Q. How much did you sue for?—A. I sued for $4,000 in one suit and I was going to sue for $119,000 to $133,000, and the proceedings with reference to the Russian business had reached a certain point when they were stopped by the sudden death of my brother-in-law and counsel, and I had not means enough to carry on my litigation, and very gladly accepted their offer to settle.

Q. If you will please submit the papers——A. I will make certified copies of these letters.

Q. And the contract?—A. I will send the contract. It was an oral contract, but I will give you a memorandum of it.

Q. When did your employment cease?—A. I brought suit in 1904.

Q. Have you had any business connections with them since?—A. Nothing whatever.

Q. Do you know anything about their business operations since?—A. No, sir; nothing at all.

Q. Anything about their business since?—A. Not a word about what they are doing or intend to do.

Q. Have you had any talk recently with any of the officers of the company?—A. I had a talk with Mr. McNeir in his office a few days ago. When I went into his office I asked him what was going on, and he says, "Oh, nothing."

Q. What did you say to him?—A. I was visiting a real estate office in the floor below, and I thought I would go up and see McNeir, who is a royal little fellow, and I have known him very well, and I went up there——

Q. Has he any relations with this Electric Boat Company?—A. I don't know what his relations are. I know he corresponds with them.

Q. Do you know whether or not he has represented it recently?—A. I don't know anything at all about McNeir's affairs. I corresponded with him in regard to my getting my settlement with the company last year, and that is all, and he transmitted my letters to them.

Q. What did you say to Mr. McNeir concerning this matter, and what did he say to you concerning this matter?—A. I would like to give it to you exactly. I asked him what he knew about this affair. He said: "I see in the newspaper reports that my name has been connected with it and published around to the country as belonging to a corrupt lobby, and I think of writing to the chairman of the committee and demanding that I be summoned as a witness." That was before I knew there was going to be any summons issued at all. He says, "You had better look at this paper," and he handed me this report.

Q. What is that report?—A. "Sixtieth Congress, first session, Report No. 1168, charges against membership of the House." It purports to give the testimony taken before the committee, and I looked at the report, at page 7, about the bottom of the page, where Mr. Lilley says: "If you had the particular interview which you have in mind more clearly identified I might answer. Some interviews have been written which were absolutely without the slightest foundation. I have given no interview except from my own dictation and correction afterwards, when presented to me in typewriting. An interview did appear connecting the names of several gentlemen whom I believe to be men of the strictest integrity, but that was an absolute fabrication." And I said: "There is no necessity of my writing to the chairman of this committee, because this is evidently from some newspaper correspondent, and it does not originate from Mr. Lilley, because neither he nor any other live man has any knowledge of me other than that I was one of unimpeachable integrity."

Q. Did that end your interview with Mr. McNeir?—A. Yes. I said, "There is no use of my writing," and I got up and left. That is all I recall of the conversation. I might have stated possibly my belief in regard to the propriety of Mr. Lilley making charges and bringing in honorable gentlemen without having given them an opportunity to say as to whether or not they were connected with any corrupt lobby or otherwise. That would have been the wiser thing to do, and that I thought the innuendo might operate injuriously to honorable men when they are pointed out in newspapers and they have never had an opportunity to be heard——

Q. Did you say that to Mr. McNeir?—A. I think I did.

Q. That is all the conversation?—A. Yes, sir; that is absolutely all.

Q. What did Mr. McNeir say to that?—A. Mr. McNeir is one of the quietest, gentlest little fellows you ever met in your life, so he didn't say much to that. I think he acquiesced with the soundness of my judgment in that respect, in general terms, but the exact language I can not give.

Q. Did you discuss any further the facts in relation to these interviews or the connection with the boat company——A. Oh, no, no. If he had any connection with the boat company, that was his affair and not mine.

Q. When you bring your papers we would like to have the papers you have connected with your suit against the company, particularly your allegations against the company and the replies.—A. That relate to the original agreement?

Q. Whatever there is connected with this matter of compensation and your litigation with the company.—A. I have no objection at all; but there is nothing I have—but I respectfully submit to the committee that I be not required to bring my private contract on business not connected with the United States Government, but, on the contrary, thousands of miles away, into an investigation of this kind, that they might see the correspondence with the Government and my claim with the Russian Government.

Q. What I ask you to produce is that which affects any conversation you had with our naval officers for which you received compensation; and I ask you to produce the letters you have and the replies to the officers of the companies concerning these conversations with American naval officers; and I ask you to produce copies of the court papers that are a matter of record in a court of any State or a Federal court. Those are matters of record that of course we could get.—A. I will bring them down to you.

The CHAIRMAN. Will you bring those papers in this afternoon?

Answer. I will go through the bundle that I have in my office to-day.

The CHAIRMAN. Are there any other members of the committee who want to have any questions asked of the witness? Any other person in the room who wants to ask a question?

If not, the witness will be excused, with the understanding that the papers shall be presented here as soon as possible.

The other witnesses who were subpœnaed for 10 o'clock to-day, Mr. Marion Butler and W. R. Kerr, will report in this room at 2.30 o'clock to-day.

(Thereupon the committee took a recess until 2.30 o'clock.)

AFTERNOON SESSION.

The committee met, pursuant to the taking of recess, at 2.30 o'clock p. m.

All the members of the committee were present.

The CHAIRMAN. The committee will be in order.

TESTIMONY OF DR. W. R. KERR.

Dr. W. R. KERR, being first duly sworn, on being examined testified as follows:

The CHAIRMAN. Mr. Stevens, will you kindly examine the witness?

By Mr. STEVENS:

Q. What is your name, age, residence, and place of business?—A. William Ralph Kerr; Chicago, Ill.; place of business, 637 Rookery, Chicago.

Q. What is your business?—A. I am in the pneumatic-tube business.

Q. What do you mean by that?—A. Well, we have contracts with the Government for transmitting mail through tubes in the large cities of the country.

Q. The tubes such as they have been selling in the few larger cities of the country; is that it?—A. Yes, sir.

Q. Does your pneumatic-tube business extend anything beyond the business with the Post-Office Department?—A. No, sir; not the underground tubes; we operate and manufacture all the tubes that you see in the stores and buildings and everything of that kind in the country.

Q. What is your connection with the pneumatic-tube business?—A. I am the agent of it.

Q. Sales agent?—A. No, sir.

Q. What sort of agent?—A. Well, I look after Department matters and others in connection with the tube business.

Q. You look after the public Department in Washington; is that it?—A. Yes, sir.

Q. Have you ever had any business connection with the Holland Torpedo Boat Company or its successor, the Electric Boat Company?—A. Well, I have not known anything about it since about 1902 or 1903.

Q. What did you know about it then?—A. Well, I have known Mr. Frost a good many years. He is a personal friend of mine.

Q. What Mr. Frost?—A. E. B. Frost, of New York.

Q. What connection has he with these companies?—A. I think he is vice-president; I don't know, secretary or vice-president. He is an officer of the company.

Q. What business did you have with him at the time you mention?—A. Well, I had not mentioned any time.

Q. Yes, you said about 1902.—A. Prior to 1905, I said.

Q. What business did you have with him?—A. Nothing, except a matter of friendship between he and I. He was here in connection with the Holland boats, or submarine boats, and I was here in my own business.

Q. Did you work in connection with him concerning his matters, and he in connection with you concerning your matters?—A. He had some understanding. He would help me wherever he could, and I had an understanding I would help him where I could.

Q. What did you do to help him?—A. I can not tell you that I ever did anything.

Q. Well, now, in pursuance of that understanding, did you spend some time here in Washington?—A. No, sir.

Q. Where did you try to help him?—A. I spent no time here in Washington in connection with his business, nor my business did not call me here.

Q. About how much of the year did your business call you here?—A. For the last four or five years, I expect, I have been in Washington five or six times for two or three days at a time.

Q. How many days during the year?—A. I say——

Q. Five or six days?—A. No: not five or six days during the year. I say five or six days during the last four or five years.

Q. During that time did you help Mr. Frost?—A. I talked to the people that I met about the merits of the submarine boats: not Members of Congress: never spoke to a Member of Congress that I know in my life.

Q. Whom did you talk with?—A. Different people.

Q. Who are they?—A. I can not remember who they were.

Q. People on the street?—A. People I met in the clubs and at hotels.

Q. What clubs did you go to to talk to people?—A. I have been in nearly all the clubs from time to time.

Q. What clubs are they?—A. Metropolitan, Army and Navy, and the Press Club and other places.

Q. Now, about what was your line of conversation concerning this?—A. My line of conversation was I believed, from what Mr. Frost had told me and from what I had heard from others, that submarines would be a great defense for our coasts.

Q. Now, whom did you talk with in these clubs?—A. Oh, I could not tell you that; it is so long ago. I have not said anything for five or six years.

Q. You have said that you went to hotels?—A. I stop at the Willard always.

Q. Who did you talk with at the Willard Hotel?—A. I can not remember anybody in particular.

Q. Have you appeared before any of the committees of Congress concerning your matters?—A. Yes, sir.

Q. What committee?—A. The Committee on Post-Offices and Post-Roads.

Q. Have you ever appeared before any other committee of Congress?—A. No, sir.

Q. For any other purpose?—A. No, sir.

Q. Have you talked with any Member of Congress concerning your matters outside of appearing in committees?—A. Yes, sir; I think I have.

Q. Did you discuss with them at that time or any other time concerning these torpedo boats?—A. No, sir; never; not to any Member of Congress or to any member of the Senate in my life.

Q. Have you ever talked with any other officials of the Government concerning torpedo-boat matters?—A. No, sir.

Q. Have you ever talked with any persons influential in political or business matters in the different parts of the country?—A. I may have; I do not recall that.

Q. Whereabouts, if you remember?—A. I do not recall it.

Q. Have you talked in Chicago?—A. I expect I have said what I thought about the submarine boats. I have everywhere.

Q. What other cities have you been obliged to go to in connection with your business?—A. Well, Chicago and New York, and Washington and Boston.

Q. Have you ever mentioned the torpedo boat matters in those cities?—A. I don't think so, except on one occasion; I mentioned it in New York.

Q. Whereabouts?—A. At the Waldorf.

Q. To whom?—A. Mr. Quigg.

Q. When was that?—A. Five or six years ago.

Q. About 1902?—A. Two or three.

Q. Was Mr. Quigg connected with any of those companies?—A. No, sir; not that I know of.

Q. Do you know whether or not he had ever been connected with any of those companies?—A. I don't know.

Q. Did he talk with you about it, or did you start the conversation?—A. I started the conversation with him.

Q. Did he seem to know anything about it?—A. No, sir.

Q. Did you give him any information about it?—A. I gave him my opinion about it; yes, sir.

Q. Did he express any interest in it in any way?—A. Not very much.

Q. Did he intimate that he knew anything about it?—A. No, sir.

Q. Do you know whether or not he knew anything about torpedo-boat matters at that time?—A. I don't know whether he did, unless he read it in the papers.

Q. Was that before or after the Lesler investigation?—A. Before.

Q. He seemed to have no knowledge about anything?—A. No, sir.

Q. Did you know anything about the Lesler investigation?—A. Well, I was here at the time.

Q. Did you frequently read to the committee that was conducting it?—A. I think I was there once.

Q. Were you taking an interest in that investigation?—A. I was told I would be a witness there, and I attended in order to get a chance to give my evidence, but I never was called.

Q. Do you know anything about the affairs of this concern previous to the Lesler investigation?—A. No, sir; nothing except I knew Mr. Frost heard about the talk of the submarine boats that was talked here in Washington.

Q. Did you receive a subpœna to attend that investigation?—A. No, sir.

Q. Did you know Mr. Lesler?—A. I did not know Mr. Lesler or anybody else.

Q. You knew Mr. Quigg?—A. I knew Mr. Quigg.

Q. He was the only one connected with that investigation that you did know?—A. I presume Mr. Frost might have been said to have been connected with the investigation. I knew him very well; our families had been intimate, had been for years.

Q. Here in Washington?—A. And in New York and New England; elsewhere—Thousand Islands and other places.

Q. Your families had been together more or less?—A. Yes, sir.

Q. So in that way——A. I was very anxious to see him succeed and he was very anxious to see me succeed.

Q. Have you assisted him in interviewing men, public men, or anybody else in connection with these torpedo matters?—A. Not except in the way I have stated.

Q. Have you ever assisted him in entertaining any people?—A. No, sir; I never have assisted him or been present at any entertainment. The only entertainment at which I have been present with Mr. Frost was his wife and my wife and myself.

Q. Have you had any interviews with newspaper men or magazine writers or promoters of publicity concerning this torpedo investiga-

tion?—A. Well, now, I don't remember if I have or not. If any newspaper man asks me a question about any subject they think I am familiar with I generally answer to the best of my ability.

Q. Do you remember talking with them concerning this subject of torpedo boats?—A. No; I have no special remembrance of anything.

Q. Have you followed the history of this torpedo-boat matter, as to its progress and adoption by the Department, tests, or things of that kind?—A. Not for the last five years or so.

Q. You have taken less interest in it?—A. No, sir; I have not. I have been busy with my own interests.

Q. At what time did your interests sort of culminate in these matters?—A. I should say 1902.

Q. That was the time that Mr. Creecy had charge, if his testimony is correct?—A. He was the representative in Washington.

Q. After Mr. Frost had charge of the matter here, you did not seem to have quite as much interest?—A. I had other interests to look after and I paid not so much attention to it.

Q. During the last five years you have not interviewed anybody about it?—A. None whatever; had nothing to do with it whatever in any way, shape, or form.

Q. Did you receive any compensation in any way, directly or indirectly, as an agent of this company or an employee of this company, prior to 1903?—A. No, sir.

Q. Did you receive any money for expenses in helping this company in any way prior to 1903 or any other time?—A. Well, I do not remember that I ever received any. I won't say that I did not; but it has been a long time ago, and I dismissed the whole matter from my mind. Some five or six years ago, I could not say exactly, I might have been to New York and received some expenses for it, but I don't say that I did not and I don't say that I did; I don't remember. I am going backward and forward and I could not now tell whether I have had anything charged to my account from Mr. Frost for anything of that kind that I might have gone to New York or not.

Q. Have you been with the pneumatic tube company all these years?—A. Yes, sir; on a salary.

Q. Have you been connected with any other company in all these years?—A. No other company on earth.

Q. Just the pneumatic tube company?—A. Yes; and that is all I have to attend to.

Q. So, if you followed up any other company you would be likely to remember it?—A. I think I would. Prior to 1903 I had no contract with the pneumatic tube company.

Q. What was your business prior to 1903?—A. Pneumatic tubes, and endeavoring to show Congress that they would be a great facility for the transmission of mails.

Q. Was part of your efforts conferences with Members of Congress at that time?—A. No, I did not. I absolutely refrained from holding conferences with Members of Congress.

Q. What was the nature of your employment prior to 1903?—A. The nature of my employment was, I was here representing the various tube interests of the company.

Q. What did you do in representing them?—A. Made citizens acquainted with the company; if they wanted pneumatic tubes, the way to get them was to bring pressure upon Members of Congress.

Q. In what way did you make citizens acquainted?—A. I went there.

Q. Whom did you talk to?—A. Everybody.

Q. Everybody is rather indefinite.—A. Well, I talked with the various prominent citizens of Cincinnati and Detroit, at Cleveland, at Pittsburg, at Baltimore, in every city.

Q. Now, this is prior to 1903?—A. Yes, sir.

Q. And in what way were you paid then, a monthly compensation?—A. I was not paid anything by compensation at all. The various citizens that were seeking to have the pneumatic tube adopted by the Government paid my expenses pro rata. I had no regular compensation; I was interested in the company in the city of Chicago; that is one of them.

Q. A pneumatic tube company of your own?—A. Yes, sir.

Q. In connection with that, did you occasionally help the torpedo-boat company as you worked about these cities?—A. I never said anything about the torpedo-boat company in those cities whatever, in any way, shape, or form.

Q. Would you be likely to remember if you went to New York at the instigation and expense of the torpedo-boat company?—A. I don't think I would. If things that have happened in the last twelve or fifteen months had not occurred I think I might.

Q. What has happened that has changed your connection?—A. Stock market. You may be familiar with that.

Q. Possibly not.—A. Some people are.

Q. That has made no difference with your connection with the pneumatic-tube company?—A. None whatever.

Q. It has made a difference with your business connection with the torpedo-boat company?—A. I have had no connection, I have stated, since 1902, or the latter part of 1902—have not known anything about the business in any way, shape, or form whatsoever.

Q. Now, you have said that you had a sort of an understanding with Mr. Frost—that he was to help you and you help him. Did he perform anything on his part of the understanding?—A. Yes, sir; I think he did. He spoke to everybody that he was acquainted with in the same way that I would concerning the boats, in a properly legitimate way, where I could do so.

Q. Do you know whether he spoke to any Members of Congress or committees of Congress concerning that matter?—A. I don't know; never had any information on it.

Q. Did you ask him, or speak to him, to know whether he did that or not?—A. Well, I only knew this: That we were here together and were friends; and I said, "If there is any way in which I can assist you in your submarine matters I would be very glad to do so, and I know you would in my matters." That is the extent of anything I ever said to him.

Q. You don't know whether he ever assisted you?—A. I do not.

Q. You were very careful not to speak to any Members of Congress?—A. I never did; never spoke to any Members of Congress about submarine boats.

Q. Have you ever had any correspondence with Mr. Frost concerning torpedo-boat matters?—A. I don't remember ever having written him a letter about it. If I have I am perfectly willing for him to produce it.

Q. Are there any vouchers or expenses of any kind, to you, in connection with this torpedo-boat company?—A. I can not remember any, sir.

Q. You don't remember whether or not anything has ever been paid to you for any expenses for any purpose whatsoever in the last few years?—A. I do not.

Q. If anything has been paid by Mr. Frost you would remember it?—A. Well, I think I would; but I would say that if anything has been paid Mr. Frost would know it, and I am perfectly willing that he should make it known.

Q. Would you know it?—A. I don't remember it, as I have said to you in the first instance.

The CHAIRMAN. Does any other member of the committee wish to ask Mr. Kerr any questions? Are there any members in the House or others interested directly or indirectly in this investigation who would like to have any interrogatory propounded to this witness? [No response.] If not, you may be excused.

TESTIMONY OF MARION BUTLER.

MARION BUTLER, being first duly sworn, on being examined, testified as follows:

The CHAIRMAN. I will ask Mr. Broussard, of the committee, to question Mr. Butler.

By Mr. BROUSSARD:

Q. Mr. Butler, what is your name, occupation, and place of residence?—A. Marion Butler; lawyer; place of residence, North Carolina, having a law office in Washington City under style and firm name of Butler & Vale, in the Bond Building, corner New York avenue and Fourteenth street.

Q. Have you ever occupied a public position in connection with the Government?—A. Yes.

Q. State what.—A. I was in the United States Senate for one term.

Q. How long?—A. One term, 1895 to 1901.

Q. You have been out of public life since 1901?—A. Yes; practicing law.

Q. Do you know the Holland Boat Company?—A. I do.

Q. And their successor, the Electric Boat Company?—A. I do.

Q. The officers connected with the company?—A. I do. I know them all. I know the president and vice-president and some of the others.

Q. Who are they?—A. Isaac R. Rice, president, and E. B. Frost, vice-president.

Q. Have you any connection with the company?—A. I represent them as attorney in Washington City.

Q. Do you represent them?—A. I do.

Q. How long have you represented them?—A. For the last three years; just about three years. Began, I think, in the latter part of

1904, covering 1905 and 1906. That is my present recollection, without refreshing my memory.

Q. That was after your term as Senator?—A. Oh, yes.

Q. What is the scope of your employment?—A. Do you mean as attorney?

Q. Yes.—A. My firm does a general practice here. We have no special line; we represent clients before the Departments, before committees of Congress, if necessary, before the courts, all the courts.

Q. Have you ever represented this company before any court here in Washington?—A. No; I have not.

Q. Before the Departments?—A. No; I have not represented them. My firm has not, except as consulting attorney. I don't know that there was ever a communication between our office and any of the Departments but one. There was one letter passed. Our services had been entirely as consulting counsel. When we were employed, I take it, the company expected us to represent them before committees of Congress if it seemed desirable, but I advised against that. I did not think there was any necessity for the submarine boats to be presented to committees of Congress by way of argument; that the best policy was to accept what would unquestionably be the policy of Congress and see boats made by private concerns, and the company that had the best boat, and the result of tests was that that was more effective than arguments before committees, and that would be conclusive and such has been the result. That policy has been pursued.

Q. Have you or any other member of your firm appeared before committees of Congress with reference to this company's boats?—A. We have not.

Q. Never have appeared before either House or Senate?—A. There has been no argument before either of the committees since my firm has represented the company.

Q. Did I understand you to say that you appeared before the Department on any occasion?—A. I said I thought there was one letter, I am not sure about it.

Q. One letter?—A. One letter from us to the Department and an answer, as the company either through its officers, one way or another, through some representative—I understand there is one here, I have not had any communication with them—look after the details of the work in the Department. Our services were advising in the office. I may say we rendered one other service in connection with that. My partner is himself quite an expert in the patent business and I know something about it, and we keep an eye on the Patent Office to see if there were any infringements on the patents of our clients; also if there was any new patent coming up that might be useful we would advise the company that it was wise for them not only to prevent infringement, of course, but of any patent that seemed to be one that might be useful, not to give time for the rival to get it, to acquire it if it could be done in a reasonable way. That has been the policy of the company and to-day it owns a very large number of patents, I think. I know they own some that they never have used because they would appear, two patents similar, and it was the best anyone could tell except by trial. Of course the chief values and assets of the submarine company is its patent. A rival to this present company can come into the market and buy just as good steel as my client

can buy, they have an open market and could get as good as this company could get, they have every opportunity in the open market to buy as good steel and as skilled labor as this company could get; they have every opportunity in the open market to buy the material and the skill to produce as good a boat as we produce. The difference is in their patents and in knowing how, what you might call the secrets of the company. We produce, as we believe, at least the Navy Department so has found, the best submarine boat in the world—at least so far as my knowledge goes, the best this country has produced, and our patents and our knowledge of how to put the material together has enabled us to do that, and that is one of the chief assets of the company.

Q. Have you a copy of the letter which you say you wrote to the Department, and the reply to it?—A. No; I have looked for it. I intended to bring it up here, but could not locate it.

Q. Do you know what has become of it?—A. No, sir; I don't know; the copy is in the Navy Department, whatever they wrote us.

Q. Will you state the substance of that correspondence, as well as you remember it now?—A. It was with reference to the letting of contract for those last boats, and to the tests. You will remember that while the tests were unquestionably in favor of the Electric Boat Company's boats and emphatically so, the difference between the boats that competed was very great, yet there was an opinion rendered by the Attorney-General that under the law the Navy Department might, in spite of the test, contract for some boats that were beaten in the tests, similar boat, provided the Secretary of the Navy, in his opinion, thought that subsequent competing boats were proven in theory and in trial, that a competing company might be able to produce a boat that might be equal to the best boat.

Q. Was that the subject of the correspondence?—A. Yes; it was with reference to that phase of the situation and it was while this matter was pending that finally that view was adopted by the Department and it was awarded to the Electric Boat Company, and the contract was awarded to the Electric Boat Company for one boat, provided they could build a boat on specifications by the Department, which would make it equal to the *Octopus*, the boat that the Electric Boat Company had in the test.

Q. What was the opinion of the Attorney-General with reference to this matter?—A. The Secretary of the Navy referred this matter to the Attorney-General, I have understood, though I have no positive knowledge, at the instigation of the Lake people.

Q. Was that in reference to any specific appropriation made by Congress relating to submarine boats?—A. The law last year provided after the tests were made to which I have referred, the report of the board was made to the Secretary. The Secretary had the report under consideration, which report recommended that contracts be made with the Electric Boat Company—a unanimous recommendation, as I remember it—for the reasons given in the report. The Secretary of the Navy, at the request of the Lake company, that is my impression, though I have no positive knowledge, decided the further report of the trial board that a copy of the law should be given to the Attorney-General and asked for a legal opinion, if after those tests, and after the *Octopus* having been found to be the best

boat, if still under the law he might make a contract with another company that did not produce a boat equal to the *Octopus*.

Q. Did I understand you to say that that matter was referred to the Attorney-General at the request of the Lake company?—A. That is my understanding; that is what I always understood. The report was in favor of the Electric Boat Company. The report to the Secretary, transmitting the facts about the tests, recommended that the Secretary make a contract with the electric company for boats of the *Octopus* type. The boat proved to be vastly superior to all other boats in the test. Now, when this matter was referred to the Attorney-General, we prepared a brief, and filed it with the Attorney-General on the construction of the law, attempting to convince him that under the law that the Secretary, if he purchased any boats at all—he had wide discretion—he might refuse to contract for any at all after the tests were made, but if he contracted for any at all, after having made the tests, so far as he made the contract, he should give the contract to the boat that proved to be superior in the test; also pointing out that the law set a time for boats to be put in and a time for the test to be begun, and if he gave any contract at all it must be awarded to those who complied with the terms of the law.

Q. What did you write to the Secretary of the Navy with reference to the opinion of the Attorney-General?—A. This was after the opinion of the Attorney-General. But still in spite of the opinion——

Q. I am trying to get what is the subject-matter of your correspondence with the Navy Department.—A. Notwithstanding the opinion that he might do so, yet that he had to be satisfied, even under that opinion, that these competitors who had been defeated in the competitors' tests could produce a boat as good as ours, and to try to show how impossible it was for him to be satisfied; there was nothing for him to go on except the trials, where they proved so inferior. So we hoped, in spite of the opinion of the Attorney-General, which said he might do it, that still he would not do it.

Q. Did he do it?—A. He did.

Q. How many boats did he order from the other company?—A. One.

Q. How many from the company you represented?—A. Seven.

Q. What was the difference in the price of these boats?—A. I do not remember; that is, the particular details.

Q. Was there any difference?—A. There was some difference in the boats, but the boats, as I understand it—I have not gone over the contracts since that time carefully—that the Secretary has desired that they build a larger boat in this new contract.

Q. By whom?—A. The Lake people; a larger boat than the boat that they submitted in the test, and therefore the price of it is much larger than the boat made by the Lake company when they put in the bids under the law to qualify them to enter the tests, the idea of the Secretary being, which I think his report to Congress states, that he thought the policy of other countries was to keep larger submarines; and while he was giving the contract he would require a larger one that had more speed than the one they put in. In short, he is requiring them to build a different boat from the one they put in the test.

Q. How are you employed by this company, by the year?—A. Yes.

Q. Have you a contract with them?—A. Yes.

Q. Written or verbal?—A. Verbal. However——

Q. How are you paid by the company?—A. Paid whenever they can pay, and I am supposed to be paid——

Q. Under the contract how are you to be paid?—A. I am supposed to be paid a retainer for each year, in advance, at the beginning of the year, but it has never been strictly followed out.

Q. Do I understand that the connection of your firm with this company is principally in an advisory capacity?—A. Well, it has resulted in being simply a matter of consulting counsel.

Q. You have never been before any committee of Congress in reference to that business?—A. I have not; and, as I have said, they decided not to, on our advice. That is a thing we took up and advised them about when they wanted to employ us.

Q. Who drew up the amendment to the naval appropriation bill last year by the Senate?—A. I don't know.

Q. You don't know who drew it up?—A. I do not.

Q. Did you see the amendment before it was presented before a committee?—A. I did not.

Q. Did you have knowledge of the amendment before its adoption?—A. I have no knowledge of it, except I advised myself. I thought the law was not perfect, and we discussed the form of amendment in my office.

Q. Who did you discuss it with?—A. Mr. Frost and Mr. Rice; but it ended there.

Q. You had no form of amendment?—A. No form of amendment.

Q. What did you discuss, if you had no form of amendment?—A. Well, we discussed the form as it passed the House, and I called attention that I did not think it provided for a free and open competition and where the discretion of the Secretary had any limit about exercising that. You must remember that at that time a law had been passed heretofore giving the Secretary discretion to build submarine boats, and the whole year was passed and the discretion was never exercised.

Q. What was the trouble with the form in which that particular item in the naval appropriation bill passed?—A. As I remember it—I haven't it before me and it has been some time——

Q. What year was that?—A. The year 1905. A law was passed then and an item put in the naval appropriation bill giving the Secretary discretion to contract for submarines, and he did not exercise the discretion. The law for this year as passed——

Q. 1906?—A. 1906, provided a time when our competitors or those who had boats could be required to produce them, and I think that that was the substance of the Senate amendment. I think that there was another line, if I remember now, added after that, that none of this money herein appropriated, none of the appropriation, shall be expended for any boats that is not the equal of the best boat now owned by the Government or being built. I think that was the way the Senate amendment was changed, as it differed from the House.

Q. You discussed that, you say, with Mr. Frost, as the bill passed the House?—A. Before it had passed the House.

Q. And before it was taken up in the committee?—A. They wanted our advice.

Q. Did you have before you a copy of the item as it appeared in the bill?—A. It was a copy of the House item, as the bill passed the House.

Q. Did you draft any form of amendment at the time you discussed this matter or at any time, for use in the Senate committee?—A. I did not, whatever. I drafted several forms of amendment from time to time—1905 and 1906.

Q. I am talking about 1906.—A. But none of them ever became a law?

Q. How about 1907? Did you draft any amendment in the bill of 1907?—A. I did draft one, but it has not been adopted by the committee, I am sorry to say.

Q. The amendment that you drafted was not adopted? Who introduced that amendment in the Senate?—A. You mean in the House committee, don't you?

Q. I mean in the Senate last year.—A. I don't know who introduced it.

Q. Wasn't that amendment adopted in 1907, the amendment that you drew up in 1907?—A. No, sir; it was not.

Q. Are you sure that that amendment which you drew to the bill of 1907 was not adopted by the Senate committee?—A. It was not adopted in the form that I drew it. Somebody changed it, I don't know who, or may have rewritten it, only it was not the same amendment.

Q. Do you remember what your amendment was or the amendment which you drew to the bill of 1907?—A. No; I did not see the copy of it. This morning I attempted to refresh my memory about it.

Q. Will you state what the substance of that amendment was?—A. The substance of it was that the Secretary of the Navy—that the word "discretion" would be dropped and it would be as in former law—that he be directed, the year before having passed and the discretion not being exercised, it seemed to me that if the Government favored them at all it should be a direction, and then I tried to draw a provision that was more clear and stringent; that the boats that proved to be best should have all of the appropriation.

Q. That was the substance of the amendment which you had drawn up?—A. Yes. As I understood it an amendment had been drawn; as I understood it was circulated around; I was told the substance of one provided for a distribution of the appropriation.

Q. Among the various competing companies?—A. Yes; and of course I did not want that, because we were willing to stand or fall on the tests. If we had the best boat we thought we were not only entitled to all of the appropriation, but that the Government ought to have the best boat. Therefore it was fair to the Government and fair to us. We had spent a great deal of money and time to try to make the best boat, and we did not want the Government to do it if it was not, and we did not attempt to conceal it; all we wanted was a law that would clearly and unequivocally provide that the appropriation—whatever was spent on submarines—should go to the best boat, which surely was a fair proposition, and if the amendment I had drawn had been adopted the Government would not have made a contract for any other boat which was inferior, which it has done since. I would not have voted for that if I had been a member of the Senate, or for anything which would have provided for an inferior

boat, if I had known it, and I certainly did not want my client to fail, after making the best boat, but to reap the reward of their labor and expense in producing such a boat.

Q. Who framed the particular amendment that was carried in the House Naval Affairs Committee not long ago?—A. I did not draw it. I drew one, but that is not it.

Q. Who drew that one?—A. I don't know.

Q. Was that the one that was submitted to you?—A. That was not submitted to me.

Q. You never saw it?—A. I never saw it until after it was adopted.

Q. You did not draw it yourself, or your law partner?—A. No, sir.

Q. No one connected with your office?—A. Never saw it; no, sir; no one connected with me or my firm, so far as I know.

Q. No member of your firm appeared before that committee?—A. No.

Q. Did you have any conversation with any member of that committee in relation to that matter?—A. None at all. I have never spoken to a single member of that committee since I have been employed about submarine matters.

Q. And you don't know who drew this particular item?—A. I do not.

Q. You know how it reads?—A. Oh, yes.

Q. You have seen it?—A. Yes; I have seen it.

Q. Do you know if Mr. Frost drew it?—A. I do not.

Q. Is Mr. Frost a lawyer?—A. Yes; he is a lawyer.

Q. You have no knowledge of this and no connection with it at all?—A. I told you I drew one and submitted to Mr. Frost what I [illegible] and he took that and left with it, but this is not the amendment.

Q. Was the amendment you drew up submitted to the committee?—A. Not that I know of.

Q. [illegible] in the papers?—A. Saw no account of it.

Q. Do you know who had [illegible] of the amendment that you [illegible]

Q. [illegible]—A. None whatever.

Q. [illegible]—A. Mr. Frost. I [illegible]

Q. [illegible]—A. No.

Q. [illegible] with the par- [illegible]—A. That is [illegible] with that [illegible]

Q. [illegible]—A. Well, I [illegible]

Q. [illegible] that that precise [illegible] would not [illegible] or not. [illegible] don't know.

Q. [illegible] amendment that is [illegible] presented [illegible]

Q. [illegible] this matter?—

Q. Never have at any time talked with him?—A. Never have at any time.

Q. Do you know anything about entertainment of members of Congress in Washington or elsewhere by officers of your company?—A. I do not.

Q. Have you ever attended any of those entertainments?—A. I have not.

Q. Have you ever heard about any?—A. I have not.

Q. You do not know of any Member of Congress that has been entertained by them?—A. I do not.

Q. You say you have never talked with any Representative or Senator with reference to this matter, never discussed it at all?—A. You will pardon me, I have answered that three or four times; let me answer it again in a way that will be probably final, and say that the policy of myself and my firm is never to speak to a Member of Congress—I have served in the Senate myself and know about the impropriety—to any Member of Congress about any matters or business of the company appearing in committee, and we have not in this case. If it had become necessary to appear before the committee to make an argument, I should have appeared just as readily and as cheerfully as I would have appeared before the Supreme Court or the district court of the United States, or Court of Claims, or any other court in the land, but I have never thought it was necessary, I have thought that the best policy was to have competition to prove the best boat, and that that was more powerful argument with the committees of Congress and with the Government than anything else, and my advice has been followed, and I am gratified with it up to date.

Q. Mr. Butler, do you believe that the items that appear in the present appropriation bill are conducive to competition in the purchase of submarine boats?—A. I think it is pretty nearly everything given in line with the recommendation of the Navy Department, and I think it is conducive to furnishing the Government with boats, and the best boats, if the Government needs any more.

Q. That is assuming your company makes the best boats?—A. The Government required proof that it is the best boat.

Q. With the clause as it stands now, would it be possible for this other boat company to secure a contract?—A. If it was construed as liberally or illiberally, or whatever you may call it, as the law was heretofore, anything could be done under it.

Q. Under the present clause, so that there is nothing in that clause that prevents competition?—A. If it was construed as the law has been heretofore, it permitted competition, and I thought that prohibited absolutely the purchase of any inferior boat or contracting for any inferior work.

Q. Just as the Attorney-General held they could contract for another boat.—A. The proposed provision would have been absolutely bottled up, but the form as it went in still showed that that was the spirit and, I think, the letter of it. I did not see how this construction could have been made, as I argued with the Attorney-General with all the force I knew how. I do not see yet how it could have been done, but it has been done—the Government simply contracted for the Lake boat and it takes twenty-seven months to even build any boat now, to my own knowledge. Unless some rival boat that is going to be equal with this is built within twenty-seven months it means

boat, if I had known it, and I certainly did not want my client to fail, after making the best boat, but to reap the reward of their labor and expense in producing such a boat.

Q. Who framed the particular amendment that was carried in the House Naval Affairs Committee not long ago?—A. I did not draw it. I drew one, but that is not it.

Q. Who drew that one?—A. I don't know.

Q. Was that the one that was submitted to you?—A. That was not submitted to me.

Q. You never saw it?—A. I never saw it until after it was adopted.

Q. You did not draw it yourself, or your law partner?—A. No, sir.

Q. No one connected with your office?—A. Never saw it; no, sir; no one connected with me or my firm, so far as I know.

Q. No member of your firm appeared before that committee?—A. No.

Q. Did you have any conversation with any member of that committee in relation to that matter?—A. None at all. I have never spoken to a single member of that committee since I have been employed about submarine matters.

Q. And you don't know who drew this particular item?—A. I do not.

Q. You know how it reads?—A. Oh, yes.

Q. You have seen it?—A. Yes; I have seen it.

Q. Do you know if Mr. Frost drew it?—A. I do not.

Q. Is Mr. Frost a lawyer?—A. Yes; he is a lawyer.

Q. You have no knowledge of this and no connection with it at all?—A. I told you I drew one and submitted to Mr. Frost what I suggested, and he took that and left with it, but this is not the amendment.

Q. Was the amendment you drew up submitted to the committee?—A. Not that I know of.

Q. Saw no account in the papers?—A. Saw no account of it.

Q. Do you know who had charge of the amendment that you drew?—A. I do not.

Q. You have no knowledge at all of that?—A. None whatever.

Q. Whom did you give that amendment to?—A. Mr. Frost. I never saw it afterwards.

Q. Know nothing at all what became of it?—A. No.

Q. And you nor your firm have any connection at all with the particular wording of the clause in the appropriation bill?—A. That is not the amendment that we drew, and we had nothing to do with that amendment in that form.

Q. Is this amendment satisfactory to your company?—A. Well, I can't say whether it is or not.

Q. You never discussed that?—A. I can't say that that precise point has ever been squarely discussed between us, and I would not feel warranted in saying whether it was entirely satisfactory or not. I might be able to draw one myself that would be better, I don't know.

Q. Do you know who presented this particular amendment that is in the bill now?—A. My information is Mr. Loudenslager presented it. I do not know of my own knowledge.

Q. Did you ever talk to Mr. Loudenslager about this matter?—A. I have not.

Q. Never have at any time talked with him?—A. Never have at any time.

Q. Do you know anything about entertainment of members of Congress in Washington or elsewhere by officers of your company?—A. I do not.

Q. Have you ever attended any of those entertainments?—A. I have not.

Q. Have you ever heard about any?—A. I have not.

Q. You do not know of any Member of Congress that has been entertained by them?—A. I do not.

Q. You say you have never talked with any Representative or Senator with reference to this matter, never discussed it at all?—A. You will pardon me, I have answered that three or four times; let me answer it again in a way that will be probably final, and say that the policy of myself and my firm is never to speak to a Member of Congress—I have served in the Senate myself and know about the impropriety—to any Member of Congress about any matters or business of the company appearing in committee, and we have not in this case. If it had become necessary to appear before the committee to make an argument, I should have appeared just as readily and as cheerfully as I would have appeared before the Supreme Court or the district court of the United States, or Court of Claims, or any other court in the land, but I have never thought it was necessary, I have thought that the best policy was to have competition to prove the best boat, and that that was more powerful argument with the committees of Congress and with the Government than anything else, and my advice has been followed, and I am gratified with it up to date.

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that the Government will not contract for one, much less build and deliver any submarine boats within the next twenty-seven months, unless the Lake people would furnish the boat earlier than twenty-seven months; but that is the time asked, and that is what the contract calls for.

Q. How long does it take to build a submarine boat?—A. I do not know.

Q. How long does your company take?—A. I do not know; it has never been my business to inquire and I have not. And I think this, too, that when one company has shown that it has the best boat beyond all odds, that it is entitled to the contract from the Government until some rival produces a boat that is equal to it, and I do not think that if I was Secretary of the Navy I would advise the policy of sitting down and waiting for such a submarine boat, or until some possible competitor might in some time in the future, indefinite, produce a boat equal to what we have.

Q. I am asked to read a paragraph from the testimony of Rear-Admiral Charles O'Neil, Chief of the Bureau of Ordnance of the Navy Department, with reference to the patents of the Holland Company:

As regards the patentable features of the *Holland*, they must be few in number and insignificant in character, as it is almost entirely made up of commerical appliances. Possibly some details, such as steerage appliances, may be patented, but the principal features of the boat are not, and I believe the Government or any company could build such a boat as the *Holland*, with possibly a few slight unimportant modifications, without trespassing on anybody's right. Therefore I do not consider the company's patent on their boat worth buying.

What have you to say with reference to this matter?—A. Well, gentlemen of the committee, I hardly feel like criticising an officer of the Navy, or attempting to answer him. I am not an expert engineer. While I know something about engineering and something about patents, I do not think, however, since you ask the question, that it is a fair or correct statement, and if it was, somebody else could build a boat as good as ours. There are other concerns that can build a boat, if the patents were not ours, and sell them—knew how, if you will let me express it, the secret knowledge we have and have acquired, and we do not think anybody else will build one as good as ours, for we are constantly improving. We never let a patent pass us that may be of use, and somebody will have to build boats as fast as ours before they equal or surpass us. We do not intend to let them do it.

Q. That testimony was given in 1901, and has your company secured additional patents since that time?—A. It has.

Q. What patent?—A. Permit me to say that that testimony was hostile to the company. It shows for itself it was hostile to the company, and Admiral O'Neil has always been one of the naval officers opposed to submarines, differing with Admiral Dewey and others. As to the patents, I would rather, if the committee would as leave, have Mr. Spear—he is here and he is an expert mechanic and machinist of the company; he would answer that question and the information will be more accurate.

Q. I want to know if any new patent had been obtained by the company.—A. For instance, the company has acquired a patent for sending wireless messages when submerged in our boats entirely out

of sight, a very important thing. It seemed that at first blush it could not be done. Well, now, there is a peculiar thing about patents. When one human mind is working on a patent by himself it seems that simultaneously there are other minds all over the country doing the same thing. Several parties, to meet that very thing, have been inventing and patenting. I think my client has bought up all those patents, not knowing which one was the best and to be sure that a competitor would not get them. To-day we could send messages when the boat is submerged away under water—telegraph to land a wireless message—which is of very great importance. Then there are improvements in the method of making observations, of great value, in my opinion, where the vessel is submerged or everything but the conning tower, a very important thing in sighting a boat. At first boats were controlled entirely by weight, and they had to be moved. There are a number of patents for automatically adjusting a boat, making it go down on an even keel, and if it rocks to automatically bring it back, so that it will bring its conning tower straight up this way and not roll, and if the waves roll, to bring it back this way, and also to make it go down true. All of those have been made since and——

Q. 1901?—A. Oh, yes; and a number of patents that it has not been my business to keep up in detail, several points incidentally came to my attention, except as I would run against it in the Patent Office; I had my attention called to some new patents.

Q. Mr. Butler, I read to you from the testimony of Mr. Lilley, who made the charges upon which this investigation is being held, given before this committee:

> I also familiarized myself with former investigations of the Naval Committee on this same subject-matter and all the discussions upon the floor of the House in relation thereto. I also became convinced after careful investigation of the legislative proceedings in Congress relating to submarines that legislation had been so shaped, from the beginning down to the present time, as to eliminate all competition in the matter of awarding contracts for submarine boats.

Now, you are and have been attorney for this company for some time, as you have testified. Do you know anything with reference to this particular charge?—A. So far as my information goes it is unqualifiedly false.

Q. You have no knowledge?—A. Pardon me; permit me to withdraw that, please. Let me state that differently. So far as I know it is absolutely without any foundation in fact. Please use those words instead of the words I have used.

Q. "It has also been brought to my attention repeatedly and persistently by newspaper and general report, that the Electric Boat Company and its predecessor, the Holland Torpedo Boat Company, have maintained in the city of Washington an extraordinary number of attorneys and agents to further its purposes in securing appropriations for submarines." Do you know how many attorneys they have in Washington?—A. My firm are the only attorneys they have in Washington, so far as I know, except I understand that a young gentleman named McNeir, who once was a clerk in the office of Mr. Creecy, I think, represents them in some details here that we did not care—in other words, my firm would not run to the Navy Department on little errands and matters where no legal services were to be rendered. And we expressly stipulated that if any services like that had

to be rendered, where a lawyer was not required, we would not perform it. Now, he can speak for himself as to what the nature of his services are. I do not know, except my firm has performed no services of that kind, and that they have had some services of that kind performed—you might call it clerical, routine, or red tape, or what not; that I have never conferred with any attorney here that has represented them that has resided in Washington, and know of none. So far as I know, my firm is the only attorney in Washington that represent them in strictly legal business.

Q. Now, I understood you to testify a while ago that all of your recommendations with regard to the particular submarines in the naval appropriation bill, you had in view shutting out all competition, securing the contracts for the company which you represented; I understood that to be the purport of your testimony.—A. I did not so testify.

Q. I understood you to say if the amendment you drew up had been adopted that would have been the effect of it.—A. Oh, no. I said the effect would have been this: The amendment provided for competition; the effect would have been this, that after competition the tests that the Navy Department would make, and make under such rules and regulations as that, that it would have the money expended on submarines expended for the boat that proved in the test to have been the best, whichever one it was, whether the Lake boat, Berger boat, or our boat; and I still think that such would be a proper law; and if I was in the Senate to-day I would advocate such an one on my responsibility and duty as a Senator, and I think it is the policy that the Government should follow, regardless of the interests of any company. I am very glad you called my attention to it, for that is what I wanted to say; and I repeat it.

Q. I read further:

I also ascertained the fact that under the guise of the employment of certain newspaper representatives for insignificant service sums of money had been paid to them by the Electric Boat Company, presumably for the purpose of securing their aid and assistance in coloring their newspaper reports in favor of the said Electric Boat Company.

Q. Do you know anything about this matter?—A. I do not.

Q. Have you any communication at all with any newspaper men in regard to your employment?—A. I have not.

Q. None whatever?—A. None whatever.

Q. Have you furnished any information to any representative of any newspaper?—A. Only when they would come to my office.

Q. In regard to legislation?—A. No, sir.

Q. Or the advocacy of a certain policy?—A. No, sir.

Q. Nor has your firm?—A. No, sir.

Q. Nor anyone connected with your firm?—A. Nor anyone connected with it.

Q. Mr. Butler, were you in the office of the Washington Post on the day Mr. Lilley gave his interview, that he says was authorized, in regard to this investigation?—A. I was.

Q. Were you there in reference to that interview, or anything pertaining to this investigation?—A. Yes; I called on the manager of the paper that evening and went into his office.

Q. Did you converse with him about this investigation?—A. I asked him—I had not seen a copy of the resolution, and I asked him

if he would show me the copy. He had it on his desk, or somewhere near, and he said, "Why, certainly." I read it and left.

Q. Did you read Mr. Lilley's interview?—A. I did.

Q. Did you comment on it?—A. I did not. I gave no interview.

Q. Did you make any request with reference to that interview?—A. I did not.

Q. To no one connected with the Washington Post?—A. I did not.

Q. How did you find out the interview was in the office?—A. Someone told me; I don't remember who now, that the resolution was offered in the afternoon, and I think I heard it after I left my office, on the way up home; and after dinner I walked down to the office. It was not in the evening papers. I have been a newspaper man for twenty years myself and I have got a pretty strong nose for news, and it affected my client. I thought it was my duty to, if I could, learn in advance what the nature of the resolution was.

Q. Did you make any reference to the nonpublication of that?—A. I did not.

Q. Made no reference at all?—A. None whatever, perfectly indifferent as to whether it was published or not.

Q. Whom did you speak to?—A. Mr. Spurgeon, manager of the Washington Post.

Q. Did you speak to anyone else in the office connected with the paper?—A. Oh, no. I went to Mr. Spurgeon. I made no request of anybody else, and none of him except to see the resolution, and when he handed it to me the copy was all together and I glanced through the other matter and left, and that was all that occurred.

Q. Who usually gives interviews with reference to your company in Washington? You say the newspaper people have come to you and you have given interviews in reference to it?—A. Yes.

Q. Who usually attends to that?—A. Well, I think I have been told that Mr. McNeir, one of the gentlemen to whom I have referred, has given interviews, but to what extent I do not know. He can speak for himself.

Q. Does your company keep a press bureau here?—A. Oh, no.

Q. It does not?—A. It does not.

Q. Do you know of any newspaper men that are in the employ of your company?—A. I do not know a single one.

Q. Do you know if there are any?—A. I do not.

Q. Never heard of any?—A. Never heard of any except what I have seen in the papers.

Q. I mean to your knowledge, or from some member of the company?—A. No, sir.

Q. All you know about that branch of it is what you have read in the papers and——A. Yes, sir; that is all.

Q. Then you do not know whether that is true or not?—A. I do not think it is true, because I do not know anything about it. I would naturally suppose I would know something about it if it was, and that has caused me to believe it was not true.

Q. "I also ascertained to my own satisfaction that this company had made a practice of employing attorneys in Congressional districts remote from its place of business; that such attorneys could do for said Electric Boat Company nothing except to attempt to influence and control the action of the members of the naval committee elected and

to be elected from those districts." What knowledge have you of this particular charge?—A. None whatever.

Q. Have you as the general counsel of this company, located here at Washington, ever corresponded with any such attorney?—A. No, sir.

Q. You have had no correspondence of any kind or character?—A. No, sir.

Q. Have you ever had any call from any such attorney?—A. I have not.

Q. You have been, then, as I understand it, exclusively the attorney for this company since you were first employed in 1901?—A. So far as I know.

Q. And all of the legal business of the company passes through the hands of your firm?—A. The legal business here in the nature of office work and consulting. That describes the nature of the work.

Q. I mean that there is not anyone else in the city of Washington, or have you any knowledge of any other attorney or firm of attorneys employed here in Washington by this company who do any part of the business of the company that is transacted in the city of Washington?—A. None whatever that I know of, except as I stated.

Q. No other attorney?—A. None whatever.

Q. Ex-Senator Butler is not in the employ of the company?—A. No. My employment followed his going to the South.

Q. How about Mr. Creecy?—A. He severed his connection before I became employed.

Q. You succeeded them?—A. I succeeded them so far as I know.

Q. They claim to have been in the employ of the company in 1902, and up to March, 1903. You became employed in 1901?—A. No; 1904. I have always understood I was employed when they ceased their connection with the company. I do not know whether anybody else was employed in the meantime or not.

Q. In attending to the business of this company have you at any time received reports from any persons, or attorneys, furnishing you any information in relation to the attitude of Members of Congress with reference to this submarine proposition?—A. I have not.

Q. No correspondence of any kind or character?—A. None whatever.

Q. You do not know of any attorneys employed by the company away from Washington?—A. Except the New York counsel.

Q. Who is its counsel?—A. Mr. Johnson, who is here.

Q. You have had correspondence with him?—A. Oh, yes. I have never had correspondence. I have made reports, and he is here often, and we confer, but I do not think any letters pass between us.

Q. Have you correspondence or interviews with reference to the company's business with any other attorneys besides Mr. Johnson?—A. No, sir.

Q. None at all?—A. No.

Q. Do you know of any such attorney?—A. I know of none.

Q. You stated that you were paid a salary by the year?—A. Yes, sir.

Q. Is that the only sum agreed upon in the contract?—A. Yes, sir.

Q. Are there any contingencies in that contract?—A. No, sir.

Q. You receive so much for yearly services?—A. Yes, sir.

Q. No presents?—A. No, sir.

Q. Would you mind saying what they are paying you?—A. Now, you gentlemen are lawyers. I have myself no objection to stating, but that is privileged between the client and the attorney.

Q. That is the reason I put the question in that way.—A. I should say that it is not a question that I am compelled to answer.

Q. We will not insist upon it.—A. I don't think the Government or the public has any right to know what value I put on my services or what the company puts on them.

Q. I want to find out if you are interested in any contingent results or any appropriation made by Congress for the purchase of submarines?—A. I have answered that, no.

Q. And that for purely legal professional services?—A. For purely legal professional services.

The CHAIRMAN. Would any other member of the committee like to interrogate the witness?

The WITNESS. I did not quite answer one question, and I would like to now—when you read the extract from Mr. Lilley's testimony about this organized lobby that was here, that he charges the Electric Boat Company has kept, and he has connected me as one of the persons, as one of the members of that lobby. In addition to what I have said, I feel that the committee should indulge me to say that I want to here and now enter a most emphatic and earnest protest as a citizen against any man, a Member of Congress or not, stating such wild, irresponsible, and untrue charges without any foundation in fact to justify it. I consider it a very serious thing and a very great offense, and one that any citizen who has thus been connected with it has a right to complain, and complain bitterly.

The CHAIRMAN. Mr. Olmsted would like to ask a few questions.

By Mr. Olmsted:

Q. You have made one statement which needs a little explanation. You said, as near as I can recall the words, "We do not intend that any other company shall make a boat as good as ours."—A. I said that, if you will notice, in connection with my statement of our efforts to improve the boat and get hold of all patents, not only those we believed were especially of value, but that we thought might be of value. That it has been my advice, and the company has followed it, to purchase every patent where we could afford it. And I said we did not intend that anybody should ever build one as good as ours, for we had the lead now, and if we improve as much as any other boat improves, never will they catch up with us.

Q. You did not mean that their purposes would be prevented by legislation?—A. Oh, certainly not. I mean in our developing of the art of submarine warfare.

Q. It has been testified here that by fixing a limit in the act of Congress in the naval appropriation bill within which competition must be determined any other company would be prevented from competing, because the time would be so short as to prevent them from building a boat to enter into the competition?—A. That just depends upon whether there is any other boat in existence equal to ours. Now, the Secretary of the Navy recommends submarines this year in his report. He knows, at least he has been requested, to give the Lake Company twenty-seven months in which to build their boat

that they say they are going to attempt to build to be equal to ours. That twenty-seven months is over two years. That is, if the Secretary of the Navy thought that he would not buy any more boats until some other boat was built equal to ours, he would never have put any recommendation in his report this year for submarines, but have waited two years from now. As we understand it, in his report he is in favor of proceeding with the best submarine there is, and it seems to be eminently wise for the Government to proceed to buy the best there is until a better one appears. If no better one appears this year, of course that means to buy the best boat, which is ours, up to date.

Q. It has been stated that no company or firm would be willing to build a boat for competition merely; that they would not likely put the capital in a boat unless they were sure it was going to be taken by the Government? In other words, that boats, like houses, were not built for exhibition and competition, but were built only through contract for their purchase.—A. The Electric Boat Company had to expend a very large amount of money without any assurance that the Government would ever take it, in developing this art. And it does seem to me, gentlemen, that instead of attempting to punish or to discriminate against a company of gentlemen who have taken the money out of their own pockets and invested it to develop the art, as it is conceded they have, they should be rather encouraged. We do not object to competition, but we do feel that we are entitled to some consideration. Here is a new, powerful, dangerous, effective means of warfare, that a battle ship is as helpless as if it were made out of paper if once it explodes a torpedo under it. And we have developed that art to its highest state with our own money, and with very little encouragement. Had it not been for our business abroad, we would have been bankrupt long ago. We do feel that the American Government should at least be fair if not liberal with people who have expended their money without any assurance of return, and developed the art to this extent.

Q. This boat, which was used by the Electric Company in competition, did that belong to the Government?—A. It was being built for the Government, but it had not been delivered. It was our property because the Government could have rejected it. It can reject any boats we build for them up to the time of the last final trial.

Q. Who owned the boat which was exhibited in competition with it?—A. I do not know. I suppose the Lake Company.

Q. Do you know whether or not it had been contracted for by the Government?—A. I think not.

Q. You have testified concerning the reason for the letting of a contract for a boat to the Lake Company. Do you know whether or not that was let at any certain price per ton?—A. I do not know. I do not know that it was. I do not know whether it was at so much per ton or a lump sum. I know it is a large boat, and the sum is larger than any sum it has bid on, and I know bids were submitted to the Secretary——

Q. Do you know how it compares with the prices charged for the Holland boat?—A. No; I have never compared them. I know bids were submitted to the Secretary——

Q. You have stated that you filed a brief with the Attorney-General on behalf of the company?—A. Yes, sir.

Q. Do you know whether or not any brief was filed on the other side of the case?—A. I understand there was.

Q. By whom?—A. By the attorney of the other company. I was told that he filed one.

Q. Do you know who the attorney was?—A. I am not sure; I think it was ex-Senator Thurston.

Q. Then, after the Attorney-General had decided, you submitted a brief to the Secretary of the Navy?—A. Yes, sir; we submitted several cases. I conferred with Mr. Rice and Mr. Frost, and we prepared a number of memoranda and arguments, and I think they were sent by the officers of the company, applying for a contract for seven boats to be given to us. Once we filed a letter; this amount was held over, and we made a formal application for the other boat, and accompanied the letter with a memorandum or argument as to why we should be given the remainder of the appropriation for another boat, and that was signed by Mr. Rice and Mr. Frost, the officers of the company. It went formally from the company.

Q. Do you know whether or not any brief was filed with the Secretary of the Navy in opposition to that?—A. I do not.

Q. Do you know who or what moved the Secretary of the Navy to submit the question to the Attorney-General for his opinion?—A. I do not. I learned, and I can not give my authority now, but it is my impression, I know I learned it from some source or was told, that my information was that it was done at the instance of the Lake people, and I also understood the argument was filed with the Secretary raising or trying to raise the question, and then he was asked to submit the whole thing to the Attorney-General, and I think that brief went over.

Q. Do you know whose brief it was?—A. I think it was from the same attorney. That was my information. I never read that brief. I would have liked to have seen it, but the Attorney-General was leaving the next day and going off for the summer, and going to take all of his papers, and I had to work hard to get my brief ready for him to take away with him. He decided the matter after he got off to his summer residence, and he took all the papers with him, so I did not have an opportunity of seeing the brief.

Q. When you say by the same attorney you mean the attorney for the Lake people?—A. Yes, sir.

The CHAIRMAN. Mr. Stevens would like to ask a question.

By Mr. STEVENS:

Q. It is said that the Navy Department recommended that four submarines be appropriated for, while the Committee on Naval Affairs of the House have recommended eight to be appropriated. Was that done at the instigation of the company, do you know?—A. I can not say it was, except that we have always urged when we have been heard at all before the Naval Department or before the committees on purchasing at least an adequate amount to justify the company's being in existence. When I was in the Senate myself I served on the Naval Committee for six years, and that argument appealed very strongly to me. At one time it was made by ex-Senator Butler, of South Carolina, and Mr. Creecy, and I was present, and that argument was put in then, and it appealed to me very strongly. At that

time the Naval Department was opposed to any of them. I voted as a member of the Naval Committee for the submarines in our report.

Q. Did you or your company urge this increase this year before the House Naval Committee?—A. No; we did not.

Q. Do you know who did urge this increase?—A. Well, I did not, as attorney. I do not know anything about who did. I will state this—if it was urged by anyone, I do not know who did it; I will put it that way.

The CHAIRMAN. Is there any member of the committee or any officer of the Government or anyone directly or indirectly interested in arriving at the whole truth in this investigation who wishes to propound any further questions to the witness? If not, Mr. Butler, you may be excused.

TESTIMONY OF F. P. B. SANDS—Recalled.

Mr. SANDS. I hunted through my papers at the office and thought I had the papers of this suit in the original case. I find none of them. They had all been sent back to the head office just before my brother-in-law's death. I find copies of the papers in the other suit, and also a memorandum; also the complaint and the answer to it that were filed in that case, and also the correspondence that I had with Mr. Frost in relation to my work with the Russian agents, and I have also two letters here, one of them in which I embody my recollection of the oral contract between us in respect to the $4,000 fee. This is a copy of the letter relating to the work I have done.

The CHAIRMAN. If you will kindly leave those with the stenographer they will be examined and incorporated if necessary.

Mr. SANDS. I could not find the letter from Mr. Frost in regard to that. They must have been sent to my attorney in New York, and his estate has been settled over a year ago, and I do not know what has become of his papers.

TESTIMONY OF CHARLES S. M'NEIR.

CHARLES S. MCNEIR, being first duly sworn, upon being examined, testified as follows:

The CHAIRMAN. Mr. Howard will examine Mr. McNeir.

Mr. MCNEIR. I just want to say a word. I am not one of the unwilling witnesses, if there be any, referred to by Mr. Lilley. Since certain statements were heralded throughout the country about my being a member of the so-called lobby that existed for years prior to the Lessler investigation, I wrote a letter stating then, as I now state, that that statement as far as it refers to me is not correct.

I began to represent this company about three years ago as its attorney before the Navy Department. Senator Butler has enlarged on his services to such an extent that there seems very little left for me to do, but, nevertheless, that testimony shows that he is somewhat ignorant of what my services have been. We are constantly having questions before the Judge-Advocate-General, and in addition to that we are building boats and have been building them, and in matters of payment—there is one going through now, four of the seven boats—it requires a certain amount of intimate knowledge,

which it is my business to possess. I have other clients before the Department, so that I will be very glad to state the nature of any relations I have with the company.

By Mr. HOWARD:

Q. I presume from what you say that your relation with your client is perfectly satisfactory to you yourself?—A. Yes, sir.

Q. Senator Butler's observations, then, in restricting the scope of it is entirely unnecessary?—A. I regard it so. Any compliment he has paid me I will return in the same sense.

Q. Without undertaking to make the honors even there, we will proceed. What is your name and occupation?—A. I am a member of the bar of the District; have been for the last fifteen years, in good standing.

Q. How long have you been employed by the Electric Boat Company?—A. For about three years.

Q. Is your contract written or verbal?—A. It is a written one, sir. It is in the form of a letter from the company.

Q. Has there been more than one contract during this time?—A. The contract has been changed. I may say that I started in with the company doing some piecework for them—some law business, looking up some questions. It became difficult to estimate the value of that work from time to time; some of it was opinions over the long-distance telephone, etc., and the company adopted the plan of putting me on its pay roll as its attorney before the Navy Department, and I have continued in that capacity.

Q. The changes in your contract, then, have been in the nature of increased compensation?—A. Yes, sir; solely.

Q. For increased work?—A. Yes, sir.

Q. Have you any objections to stating what the various compensations have been?—A. Without antagonizing your committee at all, I feel that a letter from the company is a letter from my client. I do not feel, unless you insist, that I should be called upon to state that.

Q. We ask the question, not out of any spirit of impertinence, but because the charge has been made that one of the methods of this company has been to employ a great many lawyers in a great many places at very extravagant compensation.—A. I will state the fact, Mr. Chairman, that my compensation is not extravagant.

Q. Well, I believe you are thoroughly qualified to be a good lawyer. Will you tell the committee exactly the nature of your services—what you have contracted to do, and what, under your contract, you have actually done?—A. Yes, sir. At the time I entered the company's employ as Navy Department representative the company was just receiving the award for four boats—the *Octopus*, *Tarantula*, *Viper*, and one other the name of which has escaped me. From the time the contracts were awarded until they are put in form and the specifications are put in shape I have to do with the boats; there is almost constant work—routine work, as Senator Butler calls it—and also matters that arise such as are now arising—questions of law. For instance, the question of our privilege to purchase abroad a crank shaft, which we could get in about one-half the time and at about one-third the price such a shaft could be procured here for. The question of the nationality of the workmen engaged on our boats at Quincy. That question is now pending in the Department, and I have prepared let-

ters, and I may say that I have prepared briefs on the general question. I claim to be quite familiar with the submarine-boat question. As has been stated here, I was formerly an employee in the office of Mr. Creecy, which is the only basis for the charge that my employment on an annual retainer, which is incorrect, antedates the Lessler investigation. I was merely a clerk there, without any say in the business or responsibility, and was not consulted except as to such business as was done in the office; in fact, most of my time was occupied with business under the navigation laws. And as an attorney and as Mr. Creecy's representative I appeared before the Committee on Merchant Marine and Fisheries repeatedly, as the gentlemen on the committee will certify, and before the Senate Committee on Commerce, and I assert here under oath that my services have always been those of a lawyer. I am not a lobbyist. Anybody that employed me as one would get a gold brick. There is not a member of either House that I know well enough to ask for a card to the gallery from him, and I object to being heralded through the papers as such. I have received clippings from friends of mine all over the country to see what sort of a malefactor I was. So it was my object in writing to this committee of coming here voluntarily to show exactly what my services have been. As I say, I have other clients. My specialty is departmental practice.

Q. In representing this company before the Departments what is your method in presenting their interests?—A. In the matter of a question of law, as this nationality question, I have prepared briefs, I have interviewed the Solicitor of the Department, who has been a friend of mine because of my appearing before him for the last fifteen years, Mr. Hanna, and the chief clerk of the office, whom I may state are the main ones I deal with in the Department; they draw up contracts and anything referring to a contract, which comprises practically all of my practice, practically all of it goes through that channel, so that I may say that I am almost a daily visitor there.

Q. Have you in the discharge of your duties approached Members of Congress, either of the House or of the Senate, with respect to the legislative interests of this company?—A. I would like to state just what I have done in that respect, Mr. Howard. I was not employed in that sort of work, but I noticed, for instance, that Senator Ankeny—I read in the newspapers that Senator Ankeny had introduced a resolution asking in regard to submarine boats for the Pacific coast, looking, I presume, to the acquisition of some of them on the coast. I called on him in the marble room of the Senate for the purpose of saying to him, which I did say, that I would be very glad to furnish him any data or information in connection with this subject. I told him what my position was, that I represented this company, and he referred me—he thanked me for calling; I told, I think, at the time, that our purpose was a selfish one, which is true, but we did not expect any Member of Congress or the legislature in general to specify our kind of boats. We would fight that out with the Secretary; but as he appeared to have taken an interest in this matter and taken the initiative, I am the person that could supply him with any data that he wished. He referred me to his private secretary, Mr. Statter.

Q. Did they accept your offer to furnish them with data?—A. They said they would call on me.

Q. Precisely what was it you proposed to furnish?—A. The cost of the boats, the radius of action, all the particulars about them; just what they could do.

Q. You proposed to furnish that in the way you mention?—A. Yes; that is the idea. Had I not read this in the morning Post, I would have known nothing about it.

Q. When was that?—A. That was along in the early part of the session. Whether it was since Christmas or not I do not remember.

Q. This session?—A. Yes, sir.

Q. Do you remember calling on any other Senator or Member?—A. Yes; I have some since. I called on a Pacific coast Member, who, it appeared in the newspapers, had gone to the President about the unprotected condition of the Pacific coast, and that the President had asked him what were his ideas as to the protection of the coast. And this article said that he had written such a letter to the President. I called on him at the main door of the House; I had met him previously in one of these navigation cases, although I did not think that he remembered me; I did not use that as any reason why he should give me an audience. I told him practically the same thing.

Q. You do not think that laid the basis of an equity?—A. I do not believe the company would consider it for any extra compensation, but, as I say, I made practically the same explanation to him.

Q. Who was it?—A. Gentlemen, in view of these scandals, I hate to mention the name of any gentleman who has done me the courtesy of an interview in connection with it.

Q. Names are the only way to counteract a scandal.—A. It was Representative Humphries or Humphrey; I hope that he will understand that I had no desire to have used his name in connection with these charges.

Q. When was that?—A. That was during this session; I can not quite recall.

Q. What did you say to him?—A. I told him what I had read in the newspapers, and I said I was interested in this letter which had been referred to and which had been given to the press. He said yes, he had given it to certain newspaper men, and he furnished me with a copy of it. His letter stated and recommended for a type generally, you understand. I told him the same thing about my selfish motive, at the same time that I considered that I was warranted in volunteering to give him any data——

Q. Did you ever approach any other Member of Congress?—A. Yes; at a previous session I went to a Member at the time of the war scare last year, dealing with the school question in California. I saw from the newspapers that this gentleman had introduced a resolution looking to the acquisition of a torpedo planter at San Francisco. That was one of the few Members of the House, past or present, that I am acquainted with or have been acquainted with.

Q. Who was it?—A. May I be permitted to state the nature of my call on him first?

Q. Yes.—A. I took with me the testimony of Admiral Dewey, a report of the Naval Intelligence Bureau, etc., I called on him at his hotel there, in the lobby, and sat down with him and discussed their efforts to get armament for his State, and I said, "I think I can demonstrate to you that what you need out there is some submarine

boats," and I went over this literature with him and left it with him. That Member, I had made his acquaintance in this fashion: I was representing one of these ship register cases before the Committee on Merchant Marine and Fisheries. He appeared there and made a statement as to the standing of his constitutent, my client. The name I can furnish the committee—the name of this man, and the beneficiary from this navigation bill. So that I considered that I knew him and he knew me well enough to know that I was a responsible and respectable person. He knew I was a lawyer, and I laid this matter before him. Subsequently he introduced a bill to provide for some of these boats. You understand, not for our boats, but for submarine boats generally, stating a submarine boat of the most improved type, leaving the selection of type with the Secretary of the Navy. I told him, of course, I did not expect him to go into the merits of my company's boats, nor did any of this literature refer to any particular submarine boat.

Q. Did you urge upon him specifically that he should introduce the bill?—A. No, sir; I did not, I merely called his attention. My expression was, "I think that we can show you that what you need out there is some of these boats. They can be quickly built, they are comparatively cheap; while you are waiting for the Taft board scheme to materialize the Japs or anybody else could take you ten times over." Now, those are the specific instances, and the sole ininstances, in which I have invaded the legislative field at all.

Q. You have not given us the name.—A. I am ready to. I want to repeat the remark I made about the names of these other gentlemen. I regret that their names must be mentioned, even innocently, in connection with these charges. It was Representative Julius Kahn.

Q. Are there any others?—A. Absolutely none. I repeat that I have practically no acquaintance in either House of Congress. My visits to the Capitol are chiefly to the document room to get a copy of this resolution or some such errand.

Q. I understand you say that at no previous time or Congress have you approached anybody?—A. No, absolutely, to the best of my recollection.

Q. Have you ever spent any money for this company at any time in any way intending by spending the money to influence or affect the judgment of any Member of Congress?—A. Absolutely none. I do not believe I gave even a cigar to any Member of the House or the Senate or any employee connected with it.

Q. Have you been connected with the entertainment of Members of Congress in a social way in Washington or elsewhere in connection with the business of this company?—A. I would like to say this: When we had the *Holland* down the river here, I was then in the employ of Mr. Creecy, who was the attorney of the company, and I received the title—the honorary title—of "admiral" from having been present on one of the boats that went down to these expositions. One of the boats used on that occasion, of the Dewey exhibition, contained the newspaper men, so that to that extent I suppose I would have to answer that I have been concerned in the entertainment. The situation was this: We had to leave in the forenoon in order to get down to Mount Vernon, where there was deep enough water to test the old *Holland*. It was necessary to make practically an all-day trip. We did not expect our guests to bring lunch baskets, and so

we provided some chicken salad and something to drink and some cigars. So to the extent of that I was particeps criminis in the entertainment. That is the only entertainment. I think perhaps further along one of the newer type of boats was brought here, and there may have been a similar excursion, and that is the extent of my entertainment and participation in entertainment.

Q. What officer of the company procured your services in the first *Holland* experiment on the Potomac?—A. No officer of the company; I was then a clerk in Mr. Creecy's office.

Q. That was done through Mr. Creecy?—A. That was done through Mr. Creecy.

Q. The other occasion, when some newer type was here?—A. I was still in his employ. I was still in Mr. Creecy's employ and practically until I entered the employ of the Electric Boat Company. I had graduated and become a member of the bar fifteen years back.

Q. Since you have been representing them in your own behalf, you have never extended an official entertainment, never given any invitations or extended invitations or prepared social hospitality of any kind?—A. No, sir.

Q. None whatever?—A. No, sir; none, whatever.

Q. Have you ever aided or assisted in creating any agency of this company in the Congressional district of any Member of Congress?—A. None whatever. I never heard of any such suggestion until I saw it in Mr. Lilley's charges. If any such thing has ever been done, it has been suppressed from my knowledge.

Q. Do you know of your own knowledge of any agent, as attorneys or in any other capacity, of this company in any other part of the country?—A. I know of an attorney whose residence is in another part of the country, whose labors have possibly been in the line of the preparation of briefs. I am referring to Mr. Gordon.

Q. Where does he live?—A. He lives somewhere in Michigan.

Q. Give the committee the benefit of something about Mr. Gordon's employment.—A. Mr. Gordon was an associate. In the first place, he has made some calls on the head of the Navy Department, on the Secretary or the Acting Secretary, I do not know which, and he and I have been associated with the officers of the company in the preparation of briefs. I recall one in particular, a brief in answer to the opinion of the Attorney-General, which you have heard referred to here. As far as I have any knowledge whatsoever, Mr. Gordon has—you asked me, I believe, in reference to persons living in other Congressional districts?

Q. Yes.—A. As I say, I know of no such service or attempted service.

Q. Where does Mr. Gordon live?—A. He lives somewhere in Michigan.

Q. Have you seen him recently?—A. Yes, sir.

Q. How recently?—A. I have seen him, I think, in the last few days.

Q. Here?—A. Yes, sir.

Q. Is he here?—A. I think so.

Q. When and where did you yourself make his acquaintance?—A. I met him here in Washington. I met him here through Mr. Frost, the vice-president of the company.

Q. How long ago?—A. Two years ago.

Q. Two years ago?—A. Yes, sir.

Q. Have you kept in touch with him since that time?—A. Yes, sir; I have. I saw him in New York last summer in connection with this business. And through the summer along, to get the matter of the work of these contracts separate.

Q. That is the brief that ex-Senator Butler has referred to?—A. No, sir; it is not; that is the brief that was prepared before the Attorney-General had rendered the opinion. The brief I speak of, or printed letter, or whatever you may call it, was one pointing out our views as to the fallacy of the Attorney-General's opinion, showing that there was nothing in that opinion that found against the Secretary's right to award us contracts.

Q. It was a criticism of the Attorney-General's opinion?—A. I presume it was, the history of the whole.

Q. Intended to properly discipline the mind of the Secretary of the Navy?—A. Yes, sir.

Q. When you approached the Senator you have named, and the two Members of Congress you have named, was that within the scope of your employment?—A. It was not. I am in Washington here, I am a resident of this city, have lived here all my life, and I read these things in the papers and without consulting with the company at all, although I was in very frequent communication with them over the long-distance telephone nearly every day, I took it upon myself to make those calls. I was not directed to do so.

Q. Did you report the result of your interviews?—A. Yes; I did.

Q. To whom?—A. To Mr. Frost.

Q. Where?—A. In New York. Whether I wrote him or talked with him on the phone I do not know.

Q. Have you any correspondence with Mr. Frost or any member of this company?—A. Yes; I have some. Very naturally I have quite a good deal, extending over three years.

Q. Can that correspondence be obtained?—A. Yes, sir; I have it, sir. Waiving the question of privilege, there is no reason, and I have no objection, as far as I am concerned, to producing it. It is just dealing with the payments and the every day happenings with our contracts on these four boats.

Q. Is it an entire record of your transactions?—A. Absolutely, in so far as the transactions were not reduced to writing, but were sent over the long-distance telephone. With that exception, it is absolutely true.

Q. As to what was written, it is complete?—A. Yes, sir.

Q. You have that?—A. I have that.

Q. Have you any record of checks, vouchers, or receipts of money paid to you by the company?—A. I have practically never received any money from the company, except my salary. Of course, I have my own check books. I have not a very systematic office, nor a very elaborate system of bookkeeping; but I assure the committee that I can account for every payment that has ever been made me, with the exception of some of my advances for office expenses, paying for telegrams, and things of that sort, of which I kept an advance account, after paying for them from my salary, practically. I can not say for all of the three-year period, but that has been substantially the only financial transactions I have had.

Q. The letters you refer to, do they relate to your employment by these people, or do they go beyond it? Do they cover any matters not embraced in your employment?—A. I do not know that I quite understand the question.

Q. I gather from you that you are employed by them to look after different matters of business, mixed law and fact, and payments at the Navy Department?—A. Yes, sir.

Q. You had occasion to go down the river and participate in the exhibition of this submarine?—A. Yes, sir; that was before I began to represent the company.

Q. I understand that. Then you had occasion to see a Senator on the strength of newspaper publications?—A. Yes, sir.

Q. Then you undertook to call on a gentleman from the Pacific coast, who was laboring for some increased defense over there?—A. Yes, sir.

Q. You have rendered gratuitous assistance to this company along with your employment?—A. Yes, I have.

Q. Does that explain what is in my mind?—A. Yes, sir.

Q. I want to know if this written correspondence which you have preserved goes into such additional things as the kind you have described?—A. You see, my call on Mr. Kahn was clear back in the last session, and I can not state now from memory whether I have a letter describing that visit or not. I may have. I really do not know. As I told you, there are a great many more letters from the company to me than there are from myself to the company, for the reason that almost daily I was in communication with Mr. Frost in New York over the telephone. But such correspondence as I have is open to you, aside from the question of privilege. There is nothing in it that I have any objection to personally exhibiting.

Q. Were you at Newport?—A. Yes. I hope the committee will allow me to make a statement which I am reminded of by that word. The testimony of this gentleman—I have forgotten his name—about the dispatch from the World stating that there was a certain scandalous happening on a yacht by the name of *Giralda* is absolutely false. The gentleman has done me the justice to say that he will publish my statement on the subject, which I hope to see. There was not even a vessel with that name there, gentlemen. And the statement that any of those happenings occurred, concerning the presence of any Member of Congress, on any boat or yacht there, is absolutely false.

Q. You had a boat there?—A. Yes; we had a tender.

Q. For the purpose of following up these——A. For the purpose of following up the *Octopus* on her trial.

Q. Were there any Members of Congress there?—A. Absolutely none.

Q. Were there any Senators there?—A. Not a soul; not any.

Q. As witnesses?—A. Not at all, sir.

Q. Nor in any other way?—A. Or in any other way; and in reference to the woman, there was not a female stepped aboard the boat.

Q. If there were any Congressmen there I think it is unnecessary to state that.—A. I only want to nail that statement before it is published throughout the country. Not even the name of the vessel is correct.

Q. As I understand you, as a matter of fact, there was no such vessel there?—A. A vessel by no such name. There was a yacht named *Starling*, the property of the company. They have to have her, because in these trials they run out. One of the trial features is a run to sea several miles.

Q. So you had a tender or yacht, whatever you choose to call it?—A. Yes, sir.

Q. Was that the only one that the company had in use?—A. Absolutely.

Q. There were no Congressmen on it?—A. No, sir; no such persons. I only want to make the statement sweeping, that there were none.

Q. For the benefit of those that were there, there were no doubtful characters?—A. No, sir; none. There was nobody there, I may say, that was not connected with the enterprise.

Q. Were there any Government officials there?—A. Not near our yacht. They had their own yacht, the *Hist*.

Q. They were not on yours?—A. They never set foot on her.

Q. The only people on your yacht, then, were the representatives of the Electric Boat Company?—A. The only persons were representatives of the Electric Boat Company, with this exception: There were newspaper men there, regular correspondents, who lived at Newport, and possibly one or two others, and the system that they agreed to follow was that alternately they would go out on Mr. Lake's boat one day, and as viewers or witnesses.

Q. Now, about that matter, will you be as accurate as possible?—A. Mr. Lake had a tender there just the same as we had, but he had a schooner called the *Vesta*, if my recollection serves me.

Q. There was a Lake boat engaged in this test?—A. There was indeed, a Lake boat, and had a large vessel as a tender. For instance, on our boat we had to carry barrels of gasoline to feed the *Octopus's* gasoline tanks, and I think we carried some of them. I know they were on the wharf. Each vessel had a tender. We both were in the same position in that respect.

Q. Were any Congressmen on the Lake tender?—A. I think not. I never saw a Congressman, as far as my recollection goes, at Newport. I was never there but once in my life, and I never saw a Senator there in my life. One day the correspondent of the New York Herald or the New York World, Times, or Providence or Boston papers would go out with Mr. Lake either in a gasoline launch, which was an additional appurtenance to each tender, or they would go out with us.

And I want to say on this general subject of the newspaper work that we never have to seek a person nor to incur any expense. I have been besieged ever since I have been in the employment of the company by newspaper men whenever I was in the Department, and I have frequently told them such little happenings as I knew of in that case. And at Newport we were breaking the world's record every day, and our submarine speed, 10 knots under water, we had no need of enterprising agents to send that fact over the country, and I want to say that I have never known of any publication that was not borne out by official reports and actual facts. I have got some of those so-called highly-colored articles here in my pocket. I wrote one of

them myself. I would like to state another instance where it was necessary for us to make a publication of facts within our knowledge. You will remember when the French submarine *Lutan* sunk with all aboard her, and the press of the country was filled with all sorts of protests against these boats, that they were dangerous, that this Government should not be permitted to send down crews in them, and I added press agent into my manifold duties here in Washington and prepared a statement of that accident and some accidents to British submarines, adding to it a discussion of some such accident—the British submarines are the same type as those we build—and pointing out that our United States submarines were safeguarded against any such happenings, and I gave that article out for the press, abating these sensational rumors that the boats were uniformly dangerous.

Q. Were the American boats safeguarded?—A. They were and are. They work on an entirely different system. The trouble with those other boats was that they had a detachable keel.

Q. You can not get drowned in an American boat?—A. I won't say that, but I think they are as safe as a surface torpedo boat. We have never had an accident on one. We have a sort of drill and appliances that can prevent any such thing [producing an article].

This article was written at the time of the Newport trial, and I want to call your attention to the fact that it discusses both the Electric boat and the Lake boat, gives pictures of each, and is, I think, a fair statement of just what was meant to do off Newport. That is one of the highly-colored articles that we are accused of spreading around. We have no press agents, we have no newspaper men in our employ at all.

Q. In the matter of preparing a brief for the Attorney-General's office and the Navy Department at the time when there was some hesitation about how many contracts the Navy Department would make, have you any knowledge of who your rivals were?—A. We had a very lively knowledge.

Q. Give the committee your information and who was on the other side.—A. There was the Lake Company, represented by former Senator Thurston, who filed a brief with the Secretary of the Navy, a copy of which I have in my office. It was handed to me by an assistant, at that time Acting Secretary of the Navy. There was the Berger Company, represented by former Secretary of the Navy Herbert, and Micou—they were our competitors. We had a report containing a recommendation or finding as to the superiority of our boat, both as to the boat itself and as to type, and we never dreamed, I will say, but that we would be awarded the contract in the amount of the appropriation. But our opponents——

Q. Who were they?—A. The Lake Boat Company and the Berger Company.

Q. The Berger Company is a distinct company?—A. Yes; they are interested in a subsurface boat, a boat that is always in communication with the surface. I mean to say that it is never thoroughly submarine. But they were there; we had two competitors there. The Lake boat had been entered at Newport and had been found inferior in every respect, I think; certainly in ninety-nine one-hundredths. She made only half the submerged speed. The board reported she could not be properly controlled; that the hydroplanes would not

do the work: that she was fundamentally inferior, both the boat and the system by which the boat—but I am speaking from personal knowledge, and the report of the board, permit me to suggest, will throw a good deal of light on the contest. The statement is made here that there has never been any continuous competition in the matter of these boats, and I think every gentleman in this room read of the Newport contest. I want to state to you it is not a matter that there has never been any competition in. The point has been made that there has been an effort to shut out competition, to prevent competition, not only in its origin but to prevent it in its continuance. Discussing one thing at a time, I certainly read in the papers the charge that competition has been stifled since 1893.

Q. It was in reference to that that the committee want to know precisely what took place and how active the effort was before the Department; what you did and how you did it.—A. In 1893 and 1894 there was a general provision of law, which you will find in the naval act, that any American inventor might have his, her, or its boat tested, and that as a result of those tests—I do not pretend to quote that literally, but it is a matter of record—the Secretary before making any purchase or contract should conduct tests. Now, the matter ran along and we produced our boat, and Mr. Lake produced a boat and afterwards withdrew it, and the Secretary of the Navy patiently waited until he built another boat, and finally, after waiting on him for years, he awarded us a contract in the amount of the appropriation of 1893–4, and wrote a letter to the Lake Company which summarizes the whole action under those laws and gives a succinct history of the whole thing.

Q. Do you know about the contract let to the Lake Company for a boat recently?—A. Yes; I know about it. I have seen the contract.

Q. How long ago was it made?—A. It was made in the early part of February, I think.

Q. Made before these charges of Mr. Lilley were made?—A. Yes; and was to pay $450,000 for a boat which can be accepted under its minimum guarantee at a speed as low as the boat that we build for some three hundred and odd thousand dollars.

Q. Will you make a comparison, if you have that information, about the cost of the Lake boat and the cost of a similar boat?—A. Yes, sir.

Q. Give the committee the facts about it.—A. I will.

Q. Can not you now?—A. Well, the situation is this: There were certain maximum guarantees. If the Lake boat makes 14 knots an hour, she gets the full amount of the contract price, but provision is made under the contract, just as it is in our contract, for a practically similar boat, for her acceptance, even though she fails to make the speed which is required as a maximum, and making a flat comparison between the minimum requirements of the Lake boat and the minimum requirements of the Holland boat, our company's boat, although it is a much smaller tonnage, it is a difference between 340 tons in our case and, I think, 500 tons in the case of the Lake boat, that even though she makes as a minimum no more speed than our minimum speed she would be accepted, and even with that reduction the Lake boat would receive about $70,000 more than our company would. It is pretty difficult for me to make that clear without having the two contracts here. It is a question of minimum performance.

Q. Who made that contract?—A. The Secretary of the Navy made it with the Lake Boat Company.

Q. He made both contracts?—A. He made both contracts.

Q. Did you contest that?—A. Well, I can not say that we did. My own judgment—and I am a very humble man in connection with this corporation—my own idea was that the company contest it.

Q. That is something you did not do?—A. No, sir; I think not.

Q. Is the tonnage of the proposed Lake boat greater than the type of your boat?—A. Yes, sir; it is the difference between——

Q. Is the difference in price commensurate with that difference in tonnage?—A. The tonnage only is designed for results. I will say this, that the results at the relative price are not commensurate, in my judgment, with those of our boat. And the statement has gone out also that the *Octopus* is the only class of boat that we are projecting. The Marix board report stated, "a boat of the *Octopus* class," although they found was superior, and it made the assertion and so regarded it as the finest submarine boat in the world, they recommended some larger tonnage, and the result of that recommendation was to get the boats that we have had awarded to us, that we are building four of the *Octopus* type and size, 270 tons, and three boats of 340 tons, about one-third larger than the others.

Q. Do you know anything about the methods employed in or by the Secretary of the Navy in letting the contract for the Lake boat?—A. I could not speak definitely of any methods. I do not make or wish to make any charges.

Q. But have you come in contact with any counter action by that company?—A. When the bids were opened for these very boats which were finally awarded, the Lake boat was represented in the room of the Secretary's office ex-Senator Thurston, and there was a delegation of, I think, almost a dozen men whose identity I was not familiar with. I was the sole representative of our company.

Q. Were there any Congressmen amongst them?—A. I do not know. I am telling you my acquaintance, notwithstanding I am a lifelong resident of Washington, with Congressmen is as slight as that of any citizen here in town. I do not know.

Q. Do I understand you now correctly to say that you have never on behalf paid any money to any newspaper correspondents for any reports favorable to the interests of this company?—A. Mr. Howard, I never made any such statement. I do not recall that that question was ever asked me. I would be very glad to tell you the facts about it.

Q. I will ask you about it now. Have you ever, on behalf of this Electric Boat Company, paid any money to any newspaper or any newspaper reporter, any magazine or any magazine editor or magazine contributor, for any form of publication intended for general publication in the United States of America?—A. I have never made any payment on behalf of the company. I would like to go into this matter fully. Two of my personal friends have been hounded out of their positions, only to be afterwards vindicated and reinstated in the press gallery, and I think their sole offense was that they were unfortunately acquaintances of mine.

Q. That is a degree of self-depreciation that you ought not to indulge in, and you ought to have the force of this committee to stop it.—A. As I said, I have frequent applications from newspapers and

from other sources for copy about these boats. It is a very popular subject. Furthermore, Gen. M. C. Butler, whose testimony you have heard here, recommended here some two or three years ago that some sort of a series of articles on the history of these boats, taking them up at the Jules Verne stage, could be prepared and published around the middle section of the country where they never see any of the boats. So I gathered the data for such a series of articles, and while I have done some literary work myself, there is a sort of newspaper style that is requisite in order to get matters published——

Q. Published or read?—A. Well, published; because they would not be accepted if they were in the style that a lawyer would, perhaps, prepare them. I intrusted the preparation of such a series of articles to a friend of mine in the newspaper business. I have never had any concern, I want to say, specially about the publication of articles in the New York papers, nor in any talk with any press association. I want to say that until these charges about newspaper subsidies were brought out in the case of one of these gentlemen I could not have told upon oath the name of any press association he belonged to.

As I say, I intrusted the preparation of these articles, and, unfortunately, I have not a copy of them, but they are all of record somewhere—this was during the summer time, during the dull season, when neither of us were busy usually, and when the Newport tests came I had frequent requests for copy. It was a subject that everybody else in the United States seems to have been aware of and alive to except perhaps the Lake Boat Company, from some of the statements that are made here, and this feature story, as the neswpaper men call it, was an article prepared by a friend of mine at the time of or just preceding the Newport trial. I would like to file that——

Q. What did that appear in?—A. That appeared in the Washington Times and it appeared in the New York Times. Two days before the article was written I had an application from a correspondent of the New York Times, whose name I have forgotten, but whom I will volunteer to identify if I see him, who is now, I understand, a correspondent of the Army and Navy Journal. He came to my office and asked me if we had any stuff to give out. I had this particular article and I gave him these photographs, or gave him a photograph of our boat. I have some in my office right along, and this is the much-discussed article which is supposed or alleged to be highly colored.

Q. Is that the one you had prepared?—A. This article and that article about the French submarines, which I want to say dealt with the type and not with any niceties or distinctions between the Lake and the Electric Boat Company's boats. I think they comprised about all of our activities that I know of in the newspaper field.

Q. About how close together were the first and the last of these articles?—A. The Jules Verne article commenced—I suppose they began about two summers ago, I should think.

Q. And the last one?—A. The last one was this article. As far as my recollection serves, they were not during the sessions of Congress at all.

Q. Those are three articles that you are the author of?—A. The first ones I speak of were the series. Counting those as one, there were three articles.

Q. Did you ever spend any money on behalf of this company to procure the publication of these articles?—A. Absolutely none.

Q. It did not cost a cent?—A. No, sir; not a cent.

Q. Did it cost you anything?—A. No, sir; the publication of them never cost me a copper. I had request from the New York Times for copy, and I frequently have had such requests.

Q. Did you pay any money to anybody on account of that or for any other purpose?—A. Not for the publication of the articles; no, sir.

Q. Did you pay any money for preparing an article?—A. I did individually pay my friend for doing some literary work.

Q. Who was your friend?—A. There were two friends. One is Mr. Lord and one is Mr. Erly.

Q. Give me their names.—A. Their names are in the record; they have been discussed all over the United States. I do not mean any offense to you. Frank P. Lord is the name of one of them and Angus Erly is the other gentleman.

Q. How much money did you pay Mr. Lord?—A. Gentlemen of the committee, I would like to enter the same protest about that that I have about my own compensation. I will state here under oath that they were not employed by this company; that this work was done for me, as I had had some of my young lawyer friends look up references for me, boys working for me individually. If you insist upon my giving you the figures about that, I will bow to your will, but I protest against it. I think it is an invasion of my rights. This matter has been thrashed out by the standing committee, and it will be thrashed out in the courts of the District in connection with a libel suit. All of these facts and figures will come out.

Q. I am merely after something in the interest of this sitting committee. You stated it would be taken into court, or it has been done, but I want to know merely for the benefit of this sitting committee.—A. The report of the standing committee is available.

Q. Do you object to saying how much money you paid Mr. Lord in connection with that publication or with the publication of any one of these articles or all of them?—A. I do object, gentlemen.

Q. You do object?—A. Yes, sir.

Q. Do you object to saying what you paid Mr. Erly for the publication of any one of these or of any of these, or the preparation of them?—A. Yes, I do, as a matter of right, object. I asure you that on the merits of the case I have no objection to make.

The CHAIRMAN. The chairman would call the attention of the witness to the fact that this is not a confidential relation between attorney and client, and of course this committee would not press the witness for an answer if that were so.

The WITNESS. Well, Mr. Chairman, that is the subject of a suit that has been filed in the courts.

The CHAIRMAN. This committee would be the last tribunal in the world to insist upon a professional man breaking his confidence as a professional man. This arrangement, of course, was not such an arrangement as established the arrangement of attorney and client. Although in some phases of it it would be entirely immaterial, still it is a fact which the committee is entitled to know at this point.

Mr. HOWARD. The materiality of it is shown in this: "I also ascertained the fact that under the guise of the employment of certain

newspaper representatives for insignificant service considerable sums have been paid to them by the Electric Boat Company, presumably for the purpose of securing their aid and assistance in coloring their newspaper reports in favor of the Electric Boat Company."

The WITNESS. I state here under oath that that is untrue, and I defy anybody to present themselves here and show that it is true. It seems to me that that would be a proper time for me to answer the details of this matter, instead of answering some vague charge. I deny it under oath.

By Mr. HOWARD:

Q. You admit the payment of money?—A. I admit the payment of money, for some piece work, literary work.

Q. Connected with the Holland or Electric Boat Company?—A. The subject-matter referred to that, but it was in no sense an employment by the company. The officers of the company, Mr. Frost I think had met Mr. Lord ten years ago when he was a reporter on the Washington Post. I don't believe he ever knew Mr. Erly until thirty days ago, or ever met him.

Q. Have you ever made any charge to your company for the amount that you paid out for this purpose?—A. Well, I have a current expense account, and they will cover it in that account.

Q. Charged in the current expense account?—A. Yes, sir.

Q. And that current expense account was paid by the company?—A. Yes, sir.

Q. So that the company paid it?—A. Yes, sir.

Q. And you refuse to state what the amounts were. In addition to that, "and in efforts made to subsidize or unfairly influence the public press in its utterances and criticism of the said companies and appropriations made for submarines." I read these two portions of the charges for the purpose of refreshing your own mind, and I say to you it is not idle curiosity on the part of the committee in the asking of these questions, but it is a part of a serious charge which if investigation is not made of it by this committee, will be deliberately refusing to get information which is within its power?—A. Gentlemen of the committee, it seems to me this is a very important thing. There is no evidence presented here in support of it. I have stated on oath the real facts.

Mr. ERLY. I am Erly, and I think it is modesty that keeps Mr. McNeir from saying what I got, and I have no objection to saying what I got.

The WITNESS. I will state, if the employment in doing some piece work for a man is in any sense considered an employment, that for the vast endeavors of Mr. Erly in my behalf in the course of a year I find, in looking over my little memorandum book, in the course of a year I have paid to Mr. Erly about $36. That covers the entire period of my transactions with Mr. Erly.

By Mr. HOWARD:

Q. That is for a period of a year or a year and a half?—A. Yes, sir.

Q. Were any expenditures for press work made prior to that time by you?—A. None whatever. I want to repeat that I have been besieged more by men for copy than I have ever besieged them.

Q. Now let us have it about the other matter?—A. About Mr. Lord?

Q. Yes.—A. Well, gentlemen, he had more literary work to do than Mr. Erly. Mr. Erly's services were very largely in the distribution of my article about French submarines to such newspaper correspondents of the United States as were short of copy and cared to use it. Mr. Lord, however, did do this literary work, and his work was of a more important character on that account. As I stated, for a period, as in the case of Mr. Erly, covering about a year and a half, it was upwards of $500.

Q. By upwards do you mean it was more than $600?—A. Well, I assure you that I have not and I can not give you those figures. It was something more than $500. It may have reached $600 or $700 or possibly $800. I want to be perfectly frank about it.

Q. That is the way to be.—A. Now, these expenditures of Mr. Lord and Mr. Erly are the extent of this "bureau of subsidy" that we have heard discussed in these charges, as far as my personal knowledge goes, as far as I have participated.

Q. You paid that money out?—A. Yes, sir.

Q. The charge goes in your expense account to the company?—A. Yes; it was a varying amount at varying periods.

Q. What is the difficulty you labor under in not being able to state precisely how much it is?—A. Because I have not footed it up, Mr. Howard.

Q. You have the separate items and you could foot it up.—A. Yes. I made no secret of it. That is a matter of my checks to these gentlemen. I want to say further, as to the secrecy of it, that Mr. Lord was my guest up at Newport, where, of all places in the world, I knew I would encounter the Lake Company, and I did encounter them. Mr. Lord saw Mr. Lake repeatedly at Newport, so I never dreamed of any secrecy in the matter. I thought I had a right to get that sort of work done, just as I have my young friend about looking up some law cases for me.

Mr. STEVENS. While you are waiting I will ask one question just to follow it up. On page 3 of the hearing before the Committee on Rules appears this statement: "That it can be shown, upon investigation, that certain representatives of leading newspapers have been subsidized and paid by the Electric Boat Company for favorable articles and reports in behalf of the said company." And upon page 12 of his testimony before this committee appears the following: "I did, before that committee, propose to show that money had been used to influence and subsidize the public press of the country in this matter." Do you know of any payment by your company to any newspaper men for the purpose of having newspaper work done to influence public opinion, outside of those that you have stated?—A. None whatsoever.

Q. Are you in a position to know if there had been any campaign of publicity in the newspapers?—A. Yes, sir, I am. I feel sure I would be consulted. I have been in a sense identified with newspaper work in my early life. I think my opinion would be asked.

Q. Do you keep any track by means of clippings or otherwise of the different newspaper sentiments relative to your company?—A. I do not even take the New York papers, gentlemen. I take the morning papers of this city and the Army and Navy Register.

Q. Might there not be some work of that sort done without your knowing about it?—A. That is possible, but as I say I think it im-

probable; I think that is a matter that my judgment would be asked about.

Q. As far as you know, then, that sort of work is not done with your knowledge?—A. That is absolutely without foundation.

Q. Do you know of any press work done for the benefit of any of the other companies?—A. Yes, sir; I know that the Lake Company had an avowed press agent, and he was a very excellent gentleman, and I hope he will understand that I am speaking of him in high terms. I met him at Newport, and I believe him to be an upright gentleman, but I think there was never any secrecy as to his duties.

Q. He was in the employ of the Lake people?—A. In the employ of the Lake Company.

Q. Have you any knowledge of his contract, of what compensation is paid to him?—A. None whatever, sir.

Q. Do you know anything about the character of his work?—A. No, sir; I have never followed it up particularly.

Q. Did you read any of his articles?—A. I could not say that I have, because there is nothing to indicate who wrote them.

Q. Do you know then, of your own knowledge, that he did do press work for this company?—A. Well, I could not speak with exact knowledge, but I do not think there was any secret ever made of it. I stated that as a fact that I am convinced of.

Q. Do you know who it was?—A. It was a Mr. Johnson.

Q. Give his full name.—A. Mr. Arthur Johnson.

Q. Where does he live?—A. He lives in Washington here. I do not know his address. He has since left the Lake Company. I met him at the document room of the Senate here about the time this resolution was introduced. I was up there to get a copy of it. I met him and shook hands with him, and he said to me, "Well, I have gone out of the submarine business," or something of that sort. As I say, I think he is an upright gentleman. I merely mention the fact that that was understood to be his position with the Lake Company.

Q. Did you ever spend any other money for the Electric people?—A. No, sir.

Q. Did you ever arrange any dinners for Members of Congress, members of the Navy Committee of the House or Senate?—A. Never in my life, sir; no more than I have taken a trip to the moon. I never heard of any such dinners being given, moreover.

Q. Do you remember the trip that the *Dolphin* made on an inspection of light-houses, buoys, and such other things down the Chesapeake and out to sea? I say recently, perhaps it was last summer.—A. No, sir; I never heard of it in my life.

Q. Where the naval committee were on board?—A. You mean the inspection of navy-yards?

Q. Yes.—A. Yes, sir; I have heard of that.

Q. Have you any knowledge of appolinaris water, liquors, cigars of an unusually fine brand, and liquors of unusual purity and excellence, and other things of the very best brand and character that were furnished for the use of that committee on that ship on that trip?—A. No, sir; I never heard of such a thing in my life, sir.

Q. Did you not have anything to do with contracting for those articles to be furnished on behalf of the Electric Boat Company?—A. No, sir; never on the face of the earth, sir.

Q. Did you have anything to do with their being put on board their vessel for the use of that company?—A. Never heard of it in my life, nor never knew of it, not until this moment.

Q. No knowledge who paid for it or anything of the sort?—A. Never heard of the circumstance, sir, in my life. I know nothing on earth about it.

Q. If that had been done, would you have heard of it?—A. If you mean if she left Washington.

Q. Left Washington.—A. I feel convinced I would have.

Q. If that purchase had been made in Washington and shipped from Washington would you have knowledge of it—A. Yes, sir; I think so. I would not necessarily have known of it; I think I would have.

Q. How would it have come about that you would have known it; you say not necessarily?—A. I am the company's Washington representative, and I should think it would have required some attention to have selected all those stores. I don't know that I would have been regarded as an expert, but I really think I would have known of it. I give you that as my opinion.

Q. Your relation and dealing with the company?—A. Yes, sir.

Q. You think it was somebody else's treat?—A. I think it must have been. The first I ever heard of it was during these last ten minutes.

Q. Mr. McNeir, here is a subpœna duces tecum that has not, up to this moment, been signed by the Speaker or attested by the clerk, but it will furnish you with the information of what it is we desire, and if you have any formal objection to make to it, and will make it now, we will try to cure the defects; otherwise if you will treat it as a summons and inform us to that effect——A. Mr. Howard, I see here at a glance this requires me to bring in correspondence, does it not, of my client?

Q. Yes.—A. I think there is a question of privilege there to be considered.

Q. I thought of that; perhaps as a matter of principle following analogy that I think will come up as to the question of whether or not you are protected and privilege of attorney and client; and protected on the question of admissibility as evidence. All that would come up then, I should think.—A. Before I answer this matter, gentlemen, as I say I occupy the position of attorney for this corporation, and it seems to me—could I state my views about this at some future time?

Q. What I attempted to do is merely to in effect get a waiver from you of the formality of having that subpœna signed by the Speaker. If you will require that we can not serve you with it now.—A. Yes, I will waive that.

Q. Then it is considered as a subpœna?—A. Yes, sir.

Q. Now, then, every question incident to it as a subpœna comes up in its own proper time.

The CHAIRMAN. Are there any members of the committee who wish to ask the witness any further questions? (No response.) Is there any Member of the House or any member of the Government or anyone else, interested directly or indirectly in arriving at the truth, for which this committee is appointed, who wishes to ask the witness any questions?

Mr. LITTLETON. I submit two questions which I should like to have propounded to Mr. McNeir.

Q. Were any of the articles prepared or edited by either Mr. Lord or Mr. Early printed in any newspapers which they represent?—A. No, sir; as far as I know they were not.

Q. Or during the session of Congress?—A. No, sir; they were not; absolutely not.

By Mr. OLMSTED:

Q. I would like to ask the witness a few questions. Mr. McNeir, you stated once or twice that all payments were made through you?—A. For those articles?

Q. Not in reference to that; before you came to that you said generally all payments here in Washington, payments of some kind, were made through you.—A. I think I was referring to the payment of my own salary, Mr. Olmsted. I don't remember the particular interrogation that you refer to.

Q. I understood that some payments on account of the boat company were made through you.—A. You mean from the Government. I was referring to this fact, that we had partial payments from the Government on the work as it progressed, usually ten payments. Part of my duties connected with the Department representation of this company is to follow up those payments. They are large amounts, and the expedition through the Department is a matter of great moment to us.

Q. You mean payments to the company or from the company?—A. To the company from the Government on account of the Government work.

Q. I understood they were payments by the company through you.—A. I don't think I testified to that; I don't recall having discussed anything of that sort, except with reference to my salary. Government payments are what I think we were discussing.

Q. You said you looked after the payments.—A. Yes; I meant by that we looked after the payments from the Government.

Mr. HOWARD. Do I understand you to request that these newspaper articles that you have printed—do you wish them to go into the record?—A. I just hand them in for the information of the committee. They are perhaps too lengthy for the record.

The CHAIRMAN. So that there may be no misunderstanding, Mr. McNeir, you accept service of that subpœna before this committee, and will take it under advisement, and on consultation with counsel, if you so desire, and be prepared to give your decision at the next meeting of the committee. The Chair would state, then, that all witnesses whose names have been handed to the committee who could be reached in Washington have now been examined. Also that Doctor Kerr, one of the nonresident witnesses, was found by the Sergeant-at-Arms in one of the hotels. The subpœnas for nonresident witnesses included in the subpœnas duces tecum, for all witnesses whose appearance has been requested by anyone or who offered to appear, will be placed in the hands of the officer and abundant time given for their appearance next Monday, or a week from to-day. In the meantime the committee will take a recess until next Thursday morning at 10 o'clock.

It has been suggested that there is one witness who might like to go on either to-day or to-morrow—Mr. Spear——

Mr. LITTLETON. Mr. Spear, I was just about to say, Mr. Chairman, but I did not wish to interrupt you, is in the city and has been in the city continuously during the sittings of this committee. He was here almost all day. We did not wish to intrude ourselves on the programme laid out by this committee. Mr. Spear was here in the room, but has gone out. If the committee would care to hear him to-morrow, Mr. Spear would voluntarily appear here and give his testimony.

The CHAIRMAN. If Mr. Spear is available, the committee will go right on now. This committee will sit through the entire day, and through the evening if necessary, whenever there are witnesses to be examined and cross-examined.

Mr. LITTLETON. It is probably my fault that he went away. I told him that I did not think he would be needed this afternoon. He sat through the entire session, and I said probably your witnesses would take the entire day. I advised him he would not be needed, and he went out on my advice.

The CHAIRMAN. It is now a quarter of 6. I think we have taken the better part of the day. The committee will take a recess.

Mr. OLMSTED. Mr. Chairman, I hold in my hand a copy of the report of the proceedings before the Committee on Naval Affairs on Monday, April 23, 1900, and another of March 28, 1902, which I would like to put in the record, so that it might be printed in our proceedings.

The CHAIRMAN. The stenographer will print it in full.

(The documents referred to are as follows:)

HOLLAND TORPEDO BOAT.

COMMITTEE ON NAVAL AFFAIRS,
Monday, April 23, 1900.

The Committee on Naval Affairs this day met, Hon. Alston G. Dayton in the chair.

The CHAIRMAN. If there is no objection we will now proceed with this hearing on the Holland torpedo boat. Gentlemen of the committee, we have with us this morning Admiral Dewey and Rear-Admiral Hichborn, who will be prepared to speak on this matter; and inasmuch as this measure was introduced by a member of this committee, and an old and experienced member, Mr. Cummings, I will ask him to take charge of the examination.

Mr. CUMMINGS. I would just say, Mr. Chairman, that this submarine boat is the result of probably twenty-five years of work and actual experience. The work was begun by Mr. Holland, and for years experiments were made with it in New York Harbor, and finally when he deemed that he had secured practical results and that the boat would do what he claimed it would do, there was a provision made in an appropriation bill for the purchase of the vessel, provided it fulfilled the requirements. It has been tried repeatedly by a board of naval officers, and in the last report they were unanimous in the opinion that it had fulfilled the requirements, and, believing that the safety of the country would be enhanced by the purchase of such boats, I had the honor of introducing a resolution, which is before you, providing for the purchase of 20 of these Holland boats.

I believe that Admiral Dewey has witnessed the performance of the boat, and I think it would be desirable to have his opinion.

The CHAIRMAN. We would be only too glad to have the Admiral's opinion with reference to it.

Admiral DEWEY. Well, gentlemen, I saw the operation of the boat off Mount Vernon the other day, and several of the members of this committee were there. I think we were all very much impressed with its performance. My aid, Lieutenant Caldwell, was on board, and he could tell, if necessary, what was done from the inside. The boat did everything that the owners proposed to do, and I said then, and I have said it since, that if they had had two of those

things in Manila Bay I never could have held it with the squadron I had. To my mind it is infinitely superior to mines, torpedoes, or anything of the kind. One of these crafts moving under water would wear people out. With two of those in Galveston all the navies in the world could not blockade that place. With two of them in New York none of them could blockade it. I agree with the resolution of Mr. Cummings. I think it would be money well spent; I think it would tend to keep peace, and that is what we want the Navy for, to keep peace.

Mr. CUMMINGS. I drew up some questions this morning that I would like to ask in relation to this matter. What is your opinion as to the performance of the *Holland* of the various evolutions in the trial exhibition made off Mount Vernon on the 14th of March, at which you were present?

Admiral DEWEY. I think they were wonderfully successful.

Mr. CUMMINGS. What do you think would be the value of similar submarine boats as harbor and coast protectors against hostile fleets in time of war, when manned by crews skilled in their management and use?

Admiral DEWEY. They will be most valuable.

Mr. CUMMINGS. Would or not a number of such boats, efficiently manned by expert officers and crews, so protect the entrances to our harbors and coasts in time of war as to practically free our battle ships and cruisers from harbor-defense work for offensive work on sea and hostile shores?

Admiral DEWEY. Certainly.

Mr. CUMMINGS. Would not the moral effect of the presence of several of these submarine boats, ready for instant service in each of our principal seaports, greatly conduce to the security of those ports and be a potent deterrent to an enemy's fleet?

Admiral DEWEY. In my opinion they would be of the greatest assistance.

Mr. CUMMINGS. Would it not be wise to have a number of these boats, as now constructed, in use in time of peace for the training of the officers who would have to command and operate them in time of war?

Admiral DEWEY. I think so, most assuredly.

Mr. CUMMINGS. Would not the possession of the improved type of Holland boat, designated as No. 7, ready for action at each of our seaports, prove a powerful aid in assuring the safety of our harbors against the attacks of an enemy?

Admiral DEWEY. Was that No. 7 which we saw?

A BYSTANDER. No; that was the *Holland*.

Admiral DEWEY. That is the only one I have seen; the only one I am familiar with at all. Put that question again.

Mr. CUMMINGS. Would not the possession of the improved type of the Holland boat, designated as No. 7, ready for action at each of our seaports, prove a powerful aid in assuring the safety of our harbors from the attacks of an enemy?

Admiral DEWEY. Most certainly.

Mr. CUMMINGS. Would it not be of the highest degree of importance in time of threatened war or complications with a foreign government to have a complete harbor defense afloat that can be available for instant action and at small expense?

Admiral DEWEY. I did not quite understand that.

Mr. CUMMINGS. Would it not be of the highest degree of importance in time of threatened war to have these boats available for instant action?

Admiral DEWEY. Certainly; yes.

Mr. CUMMINGS. If the submarine boats constructed and stored at each harbor can be made ready for action within a few days when required, would you not deem them to be a most desirable acquisition by the Government?

Admiral DEWEY. I would.

Mr. CUMMINGS. With your knowledge of the extensive fortifications of the British at Esquimalt and Vancouver on the Pacific, of Halifax, Nova Scotia, and of Bermuda and of Nassau, and of the short distances from those several ports to the coasts of the United States, what ports on our coast do you consider as being required at all times to be thoroughly protected from attack by water?

Admiral DEWEY. New York, of course; the entrances of the Delaware and Chesapeake bays.

Mr. CUMMINGS. Hampton Roads?

Admiral DEWEY. Hampton Roads would be the entrance to the Chesapeake Bay. There is where the Chesapeake Bay should be defended, at the capes of

Virginia—Cape Charles and Cape Henry. Well, all of our ports should be protected—New Orleans; Galveston is one of the great ports now; San Francisco, of course, and the entrance to Puget Sound. In order to answer that intelligently, I should have to give some little thought to it.

Mr. HAWLEY. I suppose the idea of this question is to determine probably the number of boats that we ought to purchase now?

Admiral DEWEY. There is Wilmington, Charleston, Savannah.

Mr. WHEELER. Key West?

Admiral DEWEY. Yes.

Mr. MEYER. Pensacola?

Admiral DEWEY. Of course, if any enemy should be able to get possession of Pensacola Bay it would be their base; they would use that for their base. Of course, the eastern entrance to Long Island Sound should be protected.

Mr. CUMMINGS. And really in time of war there should be three or four of these boats there?

Admiral DEWEY. I think that twenty would be good to start with, you know, because they could be moved. They can be moved from point to point.

Mr. CUMMINGS. And they could be moved to inland waters if necessary?

Admiral DEWEY. Yes.

Mr. LOUDENSLAGER. I was going to suggest, Mr. Cummings, that the Admiral might like to answer that after a little more reflection and name the ports in order of their importance.

Mr. CUMMINGS. It seems to me the Admiral is a pretty busy man.

Admiral DEWEY. Just now I am.

Mr. CUMMINGS. And it seems to me, from the information we have already obtained from the Admiral, that twenty boats are not too many to start with; some of these boats ought to be placed on the Pacific and the others on the Atlantic.

Mr. WHEELER. What are they going to cost?

Mr. CUMMINGS. Not quite as much as a battle ship.

Mr. TATE. Do you know how much apiece?

Mr. CUMMINGS. Mr. Frost ought to know something about it.

Mr. FROST. One hundred and seventy thousand dollars.

The CHAIRMAN. I suggest that we will inquire into that before the hearing will be finished. There are gentlemen here who can speak of it; Mr. Holland himself is here.

Mr. CUMMINGS. Considering the moderate cost of the improved Holland torpedo boat, with its increased speed, its ease of handling, and its torpedo efficiency, and the fact that only five men are required to man and operate each boat, would you not say that the interests of the Government, through the providing of certain defenses for our great seaports, will be advanced by the prompt construction of such boats for that service?

Admiral DEWEY. Certainly I would.

Mr. CUMMINGS. If twenty of the improved Holland boats can be purchased for the cost of one battle ship, and constructed in one-fourth of the time, would you not deem it wise to make immediate provision for the purchase and distribution of that number of said boats along our coasts?

Admiral DEWEY. I would.

Mr. CUMMINGS. Would not these improved Holland submarine boats prove the most efficient protection to the entrances of the contemplated interoceanic canal?

Admiral DEWEY. Yes; nothing better.

Mr. CUMMINGS. Mention any other point that may occur to you as a result of your observation of the performance of this boat.

Admiral DEWEY. Well, I think I have covered that in what I said. I stated that my own belief is that with my squadron of fifteen ships, if the enemy had had two of these boats, with determined Americans on board, we could not have held that bay; it would have worn us out; we would have had to have been on the watch all the time and never would have known when the blow was going to be struck. It would have worn people out; the human frame could not have stood it. I thought so then and I think so now. I think they are infinitely, as I said before, better than submarine mines or torpedoes or torpedo boats. I do not care much for those.

Mr. LOUDENSLAGER. What chance would you have had of destroying two of those boats if they had been there?

Admiral DEWEY. Here would have been the trouble; they would have taken refuge in the Pasig River, in which our vessels could not have gotten, and they

would have come out at night and we would not have seen them. Of course, they would have watched their opportunity by picking out a dark night, and we would not have seen them until they were close aboard, and my experience is you fire very badly at night under those conditions; the men are rattled and the aim is not good, and the chances are they would not hit, as that boat only comes to the surface for a moment.

Mr. LOUDENSLAGER. How long?

Admiral DEWEY. Ten seconds only, I believe, and in that time you could not train your guns on them. I think, in the interest of peace—what we all want—it would be money well spent.

The CHAIRMAN. Have you anything else?

Mr. CUMMINGS. I have nothing further to ask the Admiral.

The CHAIRMAN. I believe we can expedite matters by taking up the members of the committee in rotation.

Mr. MEYER. I would ask this. The question has been asked, and the answers refer in the main to the moral effect the presence of these boats would have in a harbor.

Admiral DEWEY. Yes.

Mr. MEYER. What do you think of their material efficiency in discharging torpedoes and striking an enemy's vessel?

Admiral DEWEY. Now, I think Mr. Caldwell could answer that better, as he was on board and saw. As I saw it at Mount Vernon, apparently they did not aim at anything; I think not; and that part I am not prepared to speak about; but I assume they would not build a vessel of that kind—have they got the means to aim?

Lieutenant CALDWELL. They fire the torpedoes from the bow.

Admiral DEWEY. The vessel is trained?

Lieutenant CALDWELL. Yes, sir.

Admiral DEWEY. Could you hit anything?

Lieutenant CALDWELL. Oh, yes, sir. The inspection board reported on that. They fired the torpedo between some flags——

Admiral DEWEY. I remember reading it.

Lieutenant CALDWELL (continuing). After the run, and it was very successful.

Mr. HAWLEY. What was the distance between the flags?

Lieutenant CALDWELL. I do not remember, sir; but that report is on file. At this time they fired the torpedo it was at an imaginary target and it was fired very successfully.

Mr. KITCHIN. I will ask the Admiral this question: You know Congress has passed the naval appropriation bill providing for six cruisers and two battle ships. Would you prefer to have only one battle ship and these twenty submarine torpedo boats than to have two battleships?

Admiral DEWEY. You ought not to ask that.

Mr. KITCHIN. If you had been drawing the bill and could have had only two battle ships without these boats, or had one battle ship with these boats, which would you prefer?

Admiral DEWEY. I do not think——

Mr. LOUDENSLAGER. I do not think it is quite fair to ask the Admiral that.

Admiral DEWEY. Because I think we ought to have both.

Mr. LOUDENSLAGER. That is a very good reply, I think.

Mr. KITCHIN. The Admiral might prefer to have fifty battle ships, like all the rest of us, but I am putting a hypothetical question that if he could not have both, which he would prefer.

Mr. LOUDENSLAGER. I think he answered it.

Mr. CUMMINGS. If the House should authorize fifty battle ships, and at the same time should refuse to appropriate means for their construction, do you not think it would be better to authorize the building of twenty Holland boats in which the armor-plate question would not be involved?

Mr. WHEELER. In view of the fact that we have fought that out, I object to going into that.

The CHAIRMAN. With all due deference, I think Mr. Wheeler's point of order is well taken, and we ought not to call upon him to settle questions which we fought out on the floor; and I think the remark of the Admiral has answered Mr. Kitchin's question.

Mr. KITCHIN. Of course, I do not insist upon his answering if he does not desire to do so; but I do not think it is any answer, because every man here would like to see the Navy, if practical, to have fifty or a hundred battle ships.

The CHAIRMAN. Let me call attention to the fact that inasmuch as this is a public hearing, it is not a question of policy so much as a question of facts in regard to this invention, and afterwards we can determine the policy.

Mr. KITCHIN. I am not insisting upon his answering.

Mr. VANDIVER. I would like to ask the Admiral one or two questions for information. In the first place, are any other governments manufacturing these boats.

Admiral DEWEY. I understand the French Government is, but I do not understand that it is of the Holland type they are making.

Mr. VANDIVER. But submarine boats?

Admiral DEWEY. Yes; submarine boats; are they not, Admiral Hichborn?

Admiral HICHBORN. Yes.

Mr. VANDIVER. Many?

Admiral HICHBORN. They have about half a dozen.

Mr. VANDIVER. I presume the Admiral is somewhat acquainted with the different types of submarine torpedo boats, and I would like to ask his opinion; I do not want to involve any invidious comparison at all; we are not here for that purpose; but I would like to ask his opinion how this compares with others that are manufactured by other governments.

Admiral DEWEY. Well, I have only seen this one. All I know of the others is what I have read in the service papers. This one I have seen. Nothing could have been more perfect that its operation off Mount Vernon the other day. It did exactly all the builders proposed to do.

Mr. VANDIVER. Now, I was present at the trial the Admiral refers to, and I think I may say for all those gentlemen present that they were all very much delighted with the experiment, and that it was entirely satisfactory and all that, so now it becomes a practical question as to what we shall do, and I want to say this, that this thought has occurred to me—I do not know whether it is entirely practical or not, but I would like to ask the Admiral for his idea about it: If, as we are disposed to think, all of us, this is the best type of submarine torpedo boat we are acquainted with at any rate, would it not be well if we undertake to manufacture any of them at all, to have entire control of this patent, if it is such, so the Government of the United States could avail itself of the exclusive use of this most perfect torpedo boat that is known, assuming that it is?

Admiral DEWEY. I think that is for the committee to decide. I will answer that by saying I am not prepared to give an opinion on that subject, as I have not looked into that matter at all.

Mr. VANDIVER. Now, that question has arisen in my mind; I do not know what the legal status of the matter is, but I have been very favorably impressed, I will say, with this experiment, as we all have been.

Admiral DEWEY. So were we all. I was with you at the time.

Mr. VANDIVER. And assuming that it is a very useful thing, and it is going to be of very great value, it seems to me to be important that the Government should control the whole thing, the patent, if there is such.

The CHAIRMAN. Would not that be a question of policy for us to determine later?

Mr. VANDIVER. Yes.

The CHAIRMAN. In other words, I do not think this committee in a public hearing ought to express itself about these matters, but hear the facts and then have a meeting to determine the question of policy.

Mr. VANDIVER. I asked the preliminary question of the Admiral as to a comparison with other torpedo boats to get out the information for use hereafter in executive session.

Mr. WHEELER. If Mr. Vandiver is through, I would like to ask a question. As a matter of detail, I do not know that you are prepared to answer it, but I suppose you have investigated it that far. Would it be possible or practicable for a battle ship to carry one of these submarine boats if we had it?

Admiral HICHBORN. It might carry it, but it would not be desirable; it would take up so much room and space.

Admiral DEWEY. What is about the weight?

Admiral HICHBORN. One hundred and three tons.

Admiral DEWEY. That is a pretty heavy weight to carry, and it would affect the stability of the vessel. They would have to carry it on deck.

The CHAIRMAN. By your leave, I would like to ask the Admiral one or two questions.

Mr. WHEELER. Will any of our seagoing ships, big cruisers, for instance, carry such a thing?

Admiral DEWEY. Oh, yes; there is no question about it; but you would have to have a vessel fitted to carry it.

Mr. WHEELER. It would be a very formidable engine?

Admiral DEWEY. Take one of the big steamers and they could carry half a dozen. They could hoist them on board and carry half a dozen to points along the coast where it was threatened.

The CHAIRMAN. Taking into question the difficulties of the sea, do you believe the use of these torpedo boats could be extended to the fleet formation on the high seas?

Admiral DEWEY. I should think not.

The CHAIRMAN. The danger of its being lost would be very great?

Admiral DEWEY. Yes.

The CHAIRMAN. In your judgment it would be confined to harbor and coast defense?

Admiral DEWEY. Absolutely.

Mr. LOUDENSLAGER. In connection with what the Admiral said, I would like to ask a question in regard to cruisers carrying one of these torpedo boats along with them. What means would you have for putting that boat aboard? What means would you employ to load one of those on deck?

Admiral DEWEY. Derricks; they would have to have heavy derricks.

Mr. LOUDENSLAGER. How would you get them off the deck at sea?

Admiral DEWEY. Well, that would be worked out by our chief constructor. He might have the vessel so constructed that the sides of the ships should come down just nearly to the water's edge, and then just launch it out.

Admiral DEWEY. What is the length of this vessel?

Lieutenant CALDWELL. This one is 63 feet.

Mr. WHEELER. The *Holland* is 54.

Mr. LOUDENSLAGER. Say 60 feet, approximately. Would not such an arrangement as you suggest weaken the efficiency of the cruiser?

Admiral DEWEY. Very much; but we could have transport steamers as auxiliaries, just as nowadays fleets have to carry colliers, hospital ships, and ammunition ships, and we could have one to carry these, but I do not think that this would be used on the high seas much. I should not think so.

Mr. LOUDENSLAGER. That is the point of my inquiry.

Admiral DEWEY. I should not think they would be used on the high seas.

The CHAIRMAN. On behalf of the committee I would tender the Admiral their grateful thanks for coming here, and I would ask him to remain with us, if possible, and add any suggestions he desires to our hearing.

Admiral DEWEY. I thank you very much, but I have an engagement at 12 o'clock; if you can excuse me——

The CHAIRMAN. We will excuse the Admiral, then, and will tell him that he is always welcome to the committee room.

Admiral DEWEY. I thank you very much.

STATEMENT OF REAR-ADMIRAL PHILIP HICHBORN, U. S. N.

The CHAIRMAN. I take great pleasure in introducing to you a gentleman very well known to us, who is at the head of the Bureau of Construction and Repair, Rear-Admiral Hichborn, and for the same reason I will ask Mr. Cummings, the author of the bill and a member of the committee, to conduct the examination.

Mr. CUMMINGS. I would like to ask you first your opinion of the requirements and the desirability of constructing submarine boats for use in the Navy?

Admiral HICHBORN. I think it is important that we should construct them, and I say that after giving consideration of the subject, having had two naval constructors who have been connected with the building and trial of these boats, extending over a period of two or three years, and both of these constructors, Constructor Varney and Constructor Capps, gave me as their personal opinions that they considered these boats were very useful for the service.

Mr. CUMMINGS. You say the French Government has been constructing some of these boats. Do you know how many?

Admiral HICHBORN. They have carried on the investigation of this subject of submarine boats for ten or fifteen years. I can not say how many they are building at the present time. There was a proposition of the French Government to build about a dozen a year ago.

Mr. WHEELER. The same kind of boat?

Admiral HICHBORN. Boats of their own invention. But the boat they had under trial did not turn out as satisfactory as they expected, and I think they called a halt until such a time as they could perfect this boat.

Mr. CUMMINGS. Have the English made any experiments with submarine boats?

Admiral HICHBORN. The English Government has never taken any part in perfection of boats for use in submarine warfare.

Mr. CUMMINGS. Nor the Germans, nor the Russians?

Admiral HICHBORN. The Germans in one instance, I think.

Mr. CUMMINGS. What was the result?

Admiral HICHBORN. It was not very satisfactory, but it was many years ago.

Mr. CUMMINGS. Have you any information concerning the Russian and Italian Governments?

Admiral HICHBORN. The Russians built one boat and the Italians built one, but that was several years ago. I believe within the last eight or ten years they have not indulged much in it.

Mr. CUMMINGS. You say these constructors have been experimenting with these boats for three years?

Admiral HICHBORN. They have been connected with the construction of the *Holland* and the *Plunger*, and Constructor Capps has been down in the *Holland*.

Mr. CUMMINGS. And the reports are favorable?

Admiral HICHBORN. The reports are favorable; yes, sir.

Mr. CUMMINGS. Do you know anything about the Holland boat? Have you ever been in it?

Admiral HICHBORN. I have been inside her and examined her thoroughly, and I am familiar with the plans; and the building of the *Plunger*, at Baltimore, has been under my direction.

Mr. CUMMINGS. Have you ever witnessed any experiments with the boat?

Admiral HICHBORN. I am very sory to say I missed this experiment down here. Business prevented my going at the time I was expected to go, and I have not had the opportunity; still I have kept in touch very closely with the trial and with the people who did witness the trial.

Mr. CUMMINGS. Do your constructors agree that all the difficulties that arose at the beginning of the construction of the Holland boat have been overcome and that she is now a perfect type of a submarine boat?

Admiral HICHBORN. I do not know that they say she is perfect. It is a pretty extensive thing to say that any piece of mechanism is perfect, you know; but they say she fulfills all the requirements laid down by the Government up to the present time, which are quite extensive.

Mr. CUMMINGS. In your opinion, then, it would be very desirable to have 20 of those boats constructed?

Admiral HICHBORN. I think 20 would be a desirable number when you consider the length of the coast and the number of harbors to be defended. The Admiral did not get quite as far down as Portland. You all recollect that during this last war that the people of Maine and Massachusetts, through their Senators and Representatives, besieged the Navy Department to have the old monitors come down and help take care of them, so that they could sleep at night. The old monitors had been condemned more than twenty years ago, nevertheless when they were sent down there everybody seemed to be happy after that; this only goes to show how small things operate in time of war.

Mr. HAWLEY. It had a good moral effect?

Admiral HICHBORN. Yes; a good moral effect all around; it has a good effect, on our own people as well as on the enemy.

Mr. LOUDENSLAGER. I see by the report of the engineers' office that France has 12 submarine boats.

Admiral HICHBORN. She has 12? I did not suppose she had that number; I knew of 7.

Mr. CUMMINGS. From what you know of the boat, Admiral, is there a reasonable certainty that they will be able to destroy, with torpedoes, battle ships blockading a harbor?

Admiral HICHBORN. I do not see anything to prevent it if they were skillfully managed and went out to meet the ship.

Mr. CUMMINGS. With a crew completely organized and drilled, there would be no trouble in disposing of a battle ship?

Admiral HICHBORN. If they send off one of these torpedoes there is not a battle ship that would stand it; it would sink her surely, if they succeeded in hitting her.

Mr. CUMMINGS. Do the reports of the constructors indicate that they could hit her with the torpedoes?

Admiral HICHBORN. Well, the subject was generally treated as to the efficiency of the boat, and I do not know that that was touched on particularly.

Mr. CUMMINGS. I understand they carry three torpedoes?

Admiral HICHBORN. Yes; two spare ones.

Mr. CUMMINGS. And provisions for twenty-four hours on the boat?

Admiral HICHBORN. I guess they could carry a great deal more if they wanted to, and occasion required it.

Mr. KITCHIN. This card says five 18-inch Whitehead torpedoes.

Mr. CUMMINGS. I have been reading the reports of the board and one board speaks of carrying three. In your opinion, is the price asked for the construction of these boats reasonable?

Admiral HICHBORN. I consider it reasonable; quite so. Considering the intricate and delicate mechanism, the time and labor of construction, and work of design and experiments, I consider it very reasonable.

Mr. CUMMINGS. Is the machinery more likely to get out of order than the machinery of a war vessel?

Admiral HICHBORN. Well, no; I should not think it was. No; I do not think so.

Mr. CUMMINGS. Would it cost any more to keep these boats in ordinary than it would cost to keep a torpedo boat?

Admiral HICHBORN. It would not cost as much; they are not so delicate as a torpedo boat in their hull construction nor in their machinery.

Mr. CUMMINGS. They are not so delicate?

Admiral HICHBORN. No, sir.

Mr. HAWLEY. Ask him if they serve every practical purpose that a torpedo boat does?

Mr. CUMMINGS. Then they serve every purpose which a torpedo boat does, with the addition of being under water and out of sight?

Admiral HICHBORN. They serve every purpose, and an additional purpose, because a torpedo boat, if she is ever discovered, can not get out of the way and of course they will wipe her right out of existence, and it is not so with this kind of a boat because the target is so small it would be almost impossible to hit her, and when in danger she can keep well beneath the surface.

Mr. CUMMINGS. Then the construction of these boats, 20 or them, or 50, would do away with the necessity for torpedo boats, would it not?

Admiral HICHBORN. Well, I think you need both; I think you would want both.

Mr. CUMMINGS. You would simply use the torpedo boat as a dispatch boat because of their great speed?

[illegible] Yes, sir. I do not want to interrupt you, but would [illegible] the torpedo boat then be confined more particularly as an ad- [illegible] terms on the sea and this to coast and harbor defense?

Admiral HICHBORN. Well, I have not much faith in a torpedo boat operating [illegible] when there is any sea [illegible] warfare. [illegible] torpedo boats for the submarine boats [illegible] they will [illegible] their part. You want [illegible] and attract [illegible] the [illegible] [illegible] [illegible]

naval militia of the different States, and as its construction is so mechanical you will very readily get skilled and competent men to manage the boats.

Mr. HAWLEY. How many men would it require to man one of these boats?

Admiral HICHBORN. I think the number is reduced to five or six.

Mr. HAWLEY. You would not want any more to handle the boat at one time, but you want more in reserve. How many men would you say in a port should be ready to take charge of these boats to go out with her?

Admiral HICHBORN. There should be several crews—they should all be drilled at it—skillful men; men who have courage and skill should be drilled in this particular branch of warfare.

Mr. HAWLEY. Have a number of crews for each boat?

Admiral HICHBORN. Yes; have a number of crews for each boat.

Mr. LOUDENSLAGER. Do you know whether any experiments have been made with the Holland submarine boat demonstrating its efficiency in discharging explosives?

Admiral HICHBORN. I have read the report of the board of inspectors and I have talked with the constructor, who is on the board.

Mr. LOUDENSLAGER. What was your opinion about these results?

Admiral HICHBORN. I considered they were very satisfactory.

Mr. LOUDENSLAGER. Can you state to us what they were, briefly?

Admiral HICHBORN. The Department laid down certain requirements, and I was a member of the board which laid down those requirements. They were prepared by the Chief of Ordnance, practically. They were to the effect that the boat should be able to go down under water and run a certain length of time, that she should be able to fire torpedoes in a straight line between two points——

Mr. LOUDENSLAGER. Do you know the distance between those points?

Admiral HICHBORN. I do not seem to call it to mind.

The CHAIRMAN. These papers are not private, are they?

Admiral HICHBORN. Not at all.

The CHAIRMAN. Can we ask you, on behalf of this committee, to furnish us with those reports?

Mr. CUMMINGS. I have them here.

Mr. LOUDENSLAGER. If we have them, I will not continue my inquiry on that line.

The CHAIRMAN. If there is no objection on the part of any member of the committee, if Mr. Cummings will furnish them we will have them incorporated in the hearing.

Mr. CUMMINGS. Yes; I will furnish what I have here.

Mr. LOUDENSLAGER. You speak of the protection two or three of these boats would afford to a port like the city of New York in defending them against the approach of an offensive fleet. Suppose that a fleet was entering New York Harbor in the daylight, in the morning, would these boats be very efficient at that time?

Admiral HICHBORN. I consider they would.

Mr. LOUDENSLAGER. And what possibility of destroying them would the fleet have?

Admiral HICHBORN. The target would be very small for them to hit and not long exposed.

Mr. LOUDENSLAGER. Well, with a fleet of 18 or 20 vessels firing at them, all of them, what likelihood would there be of a fleet of that kind destroying them before they did much effective work, in your judgment?

Admiral HICHBORN. Of course it depends very much on the skill of the gunners?

Mr. LOUDENSLAGER. I know that.

Admiral HICHBORN. And I think you could answer that question as well as I could.

Mr. LOUDENSLAGER. No; I do not think I could, with your knowledge, and I would like your opinion.

Mr. HAWLEY. Will you tell the committee how long it will require to construct these boats?

Admiral HICHBORN. That is a question a little out of my line of the business, I think; that is the fighting part of the business, and I do not think I ought to go into that.

Mr. HAWLEY. I will refer that to the lieutenant and give him time to think over it.

Admiral HICHBORN. I think I have already branched out from my line of duties. My business is to build the vessels, and I am always ready to give an opinion on the construction of vessels. Outside of that I am not trained in warfare.

Mr. HAWLEY. How long would it require to construct one of these boats working under stress?

Admiral HICHBORN. I presume in six months one could be built and tried. Unless there was a great necessity for it, I should not advocate——

Mr. HAWLEY. I say working under stress, with all speed.

Admiral HICHBORN. I suppose to build her and try her——

Mr. HAWLEY. To build and equip her and have her ready to meet an emergency?

Admiral HICHBORN. Six months, I should say. I would not advocate building them in a hurry.

Mr. HAWLEY. How long would it take to build these boats?

Admiral HICHBORN. If I had to build them, I would extend it over a period of three years, unless occasion warranted great haste.

Mr. HAWLEY. Would you have all under construction during that entire period?

Admiral HICHBORN. I would have them all under construction, but I would have them completed at different periods, so that the first boat could be tried and an interval of time would come in before the completion of the other, because no vessel was ever yet built but what some improvement will be suggested, and hence in the second one you can improve a little on the first, and unless there was a great necessity I should be in favor of carrying them along in that easy kind of way. After you had built the first, second, and third, why then you could go along as rapidly as you liked, probably.

Mr. LOUDENSLAGER. In that connection, which opens a new side of the examination, which do you think would be the more desirable to do if we contracted for any—to contract for the twenty at this time, or five this year, and then six months after their completion and trial for five more, and so on until you get a sufficient number?

Mr. HAWLEY. I think he has answered the question.

The CHAIRMAN. Would not that be answered in your first statement that you would extend the dates for their completion at different times, and would not the contract for the twenty be likely to be gotten at less than for five?

Admiral HICHBORN. Oh, yes; it would be entered into with a better spirit, and I think more economically, and I think you get better results.

Mr. LOUDENSLAGER. Would not the changes suggested you would put in—and you speak of the likelihood of that being done—increase the cost naturally in the next that were to be built by virtue of the changes in the plans and construction?

Admiral HICHBORN. Well, I do not expect the change would be great, but, as I stated, we never build a ship but what if we duplicate her we have some slight changes.

Mr. LOUDENSLAGER. But is it not a natural result where you do change a plan of a ship that it is very much more costly in proportion than you outline in the first place before the contract is made?

Admiral HICHBORN. There are cases of that kind, but they are not on account of the design of the vessel altogether——

Mr. LOUDENSLAGER. I am not speaking of it in that sense.

Admiral HICHBORN (continuing). But from the change of the ordnance and the change of armor.

Mr. LOUDENSLAGER. I am speaking of the change in the contract, which is more expensive.

Admiral HICHBORN. And change of power; I am only explaining the changes which have gone on with our battle ships, cruisers, and what that meant.

Mr. LOUDENSLAGER. I did not suppose the general plan of those would be changed, but some of the [illegible] arrangements?

Admiral HICHBORN. There might be some change which might be found im[illegible] the second vessel.

Mr. CUMMINGS. Has the Navy Department purchased this vessel—the *Hol*[illegible]?

Admiral HICHBORN. I understand it has, but there is nothing which has passed [illegible] but I understand it has.

Mr. CUMMINGS. [illegible] to your Bureau if she is purchased?

Admiral HICHBORN. Yes, sir.

Mr. MEYER. Admiral, with reference to the interior construction of this ship, does it afford ample safety for the men who are in it? I mean is the construction so secure that there is no danger of the air being cut off or so disarranged that the men could not exist in the interior?

Admiral HICHBORN. I am sure it will be perfectly safe because the vessel comes to the surface in case of any accident. She has a surplus buoyancy, and she will come to the surface if anything goes wrong with the machinery, and you can make it more so and also increase the safety.

Mr. MEYER. I read last summer in some paper that a crew came very near being asphyxiated before they reached the surface in some experiment near Jersey City.

Admiral HICHBORN. I think that was from some leak in a tank, some gas which generated, and of course that is a matter which can be skillfully looked after. That demonstrated the importance for improvements of that kind. In looking up the history of submarine boats from the early days of more than one hundred years ago, since they started, I find there has never been a case yet where a man has lost his life from a submarine boat. I was rather surprised at that. Men have been lost on boats called submarine boats, but they have been operating on the surface, never by sinking as a submarine boat.

Mr. TATE. What types of submarine torpedo boats have your Department investigated other than the *Holland?*

Admiral HICHBORN. There have been in the last eight or nine years different kinds of boats submitted. There was a gentleman upon the Lakes whom I think submitted a submarine boat. A committee was appointed and went up there to see her operate; I forget the name of the inventor at the time, but it was not very successful.

Mr. TATE. Has your Department investigated the type of submarine torpedo boats attempted to be built by the French Government?

Admiral HICHBORN. We have an attaché there who follows up that matter pretty carefully all the time; he sends reports to the Departments which are considered confidential, but the chiefs of bureaus are allowed to read them, so I feel we are pretty well posted with regard to the French boats.

Mr. TATE. You get your information in that way?

Admiral HICHBORN. Yes, sir; and from other public sources.

Mr. TATE. And this expert in your Department has acted upon the information you receive in that way in reference to the boat?

Admiral HICHBORN. Yes, sir.

Mr. TATE. Now, you regard this matter of submarine boats as largely a matter of experiment, do you not?

Admiral HICHBORN. No, sir.

Mr. TATE. You do not?

Admiral HICHBORN. No, sir.

Mr. TATE. Then why not build all these boats at once?

Admiral HICHBORN. I might explain it is past the time of experiment.

Mr. TATE. You think it has not passed the stage of improvement?

Admiral HICHBORN. No, sir; I think they might have some improvement.

Mr. HAWLEY. Do you think battle ships have passed the stage of improvement?

Admiral HICHBORN. No, sir; I do not think any piece of mechanism has passed that stage.

Mr. TATE. Then you think the torpedo-boat question has passed the experimental stage?

Admiral HICHBORN. Yes, sir; so far as recommending it as a weapon of warfare in our Navy.

Mr. TATE. Would you think it advisable now to appropriate for building two or three of these at a time or twenty at a time?

Admiral HICHBORN. I think that question was up before, and I said I would be in favor of building the twenty.

Mr. TATE. Twenty at a time?

Admiral HICHBORN. That is, to have an understanding that we were to build twenty.

Mr. TATE. I understand that you would appropriate for building two or three of these boats at a time and then later on build the others?

Admiral HICHBORN. I would not have more than a month or six weeks between the completion of each one. You take it in the case of shipbuilding. If you have one ship a little in advance of the other you will save time and money on your second vessel by having one in the lead all the time. She is a sort of pilot; she leads along and the others all follow in.

Mr. TATE. Your idea is to provide for the building of twenty, but to make your contracts so that you have sufficient time to make any improvements on the next boat?

Admiral HICHBORN. That would be merely the question of making the contract. I only suggested that as probably entering into the policy of the Department in doing that.

Mr. CUMMINGS. Our coasts certainly need protection as soon as possible. If you will provide so as to build twenty boats, as I understand, with a month or six weeks' interval between the completion of each boat——

Admiral HICHBORN. Yes, sir. I say that merely as a matter of caution, so as to get the most efficient boat.

Mr. CUMMINGS. That could be specified?

Admiral HICHBORN. It would be like this: If you had an error in the boat and had a contract already made, and they go on and build it, and everybody would rush ahead to finish the boat, you would copy the errors twenty times, whereas otherwise after the error was discovered in the first boat you could make correction in those following.

Mr. KITCHIN. The first inspection, I believe, showed the boat could not be steered well; it was unsteady. That was the first report of the inspection board, that while it would pursue a straight course all right it was unsteady and unsatisfactory.

Admiral HICHBORN. I do not call that to mind particularly; that went on at a busy time when the war was on.

Mr. KITCHIN. I read that from the report of the inspection board of November 12, 1898.

Admiral HICHBORN. Possibly that might have happened.

Mr. KITCHIN. It says here:

"The ability to run under water at a depth of from 10 to 35 feet at 6 knots, the boat holding a steady course both in the vertical and horizontal planes during said run which are to be not less than ten minutes in duration, not established. Steering was very erratic and boat unable to maintain position under water for more than a few minutes at a time. We believe, however, that this was owing to the inexperience of the crew.

"No. 4. Ability to turn boat starboard and port with reasonable quickness and certainty, steering gear working well, etc., the mechanism for controlling the diving apparatus to be equally efficient and satisfactory. The boat turned quickly, but the steering and diving gear did not work satisfactorily, owing, we believe, to the inexperience of the crew."

Now, I understand there was another inspection after that, was there not?

Admiral HICHBORN. I think there were one or two; yes, sir.

Mr. KITCHIN. Do you know whether the inspections afterwards were different in this respect?

Admiral HICHBORN. The last inspection gave satisfaction, I know, in all those matters you have mentioned there.

Mr. KITCHIN. They have perfected it so there is no trouble in keeping the boat to hold a steady course now?

Admiral HICHBORN. I think if you will read the report you will see that.

Mr. CUMMINGS. The board was unanimous in the opinion that she fulfilled all the requirements?

Admiral HICHBORN. Yes, sir. Admiral Rogers was at the head of that board.

Mr. WHEELER. If this appropriation is made, would it be the purpose of the Government to keep the manufacture of these boats secret and not known to other countries?

Admiral HICHBORN. I presume it would be; yes.

Mr. WHEELER. It is not the purpose of the Government to permit contractors to work on these boats, but the Government would take charge of it?

Admiral HICHBORN. The contractors could work on them, but they could be put under penalty. We could have our superintendents and guards to prevent people from making notes or sketches, or even going aboard of them.

Mr. KITCHIN. A few moments ago I think I heard you remark that after these boats were constructed it would be advisable to allow the naval militia to drill with them?

Admiral HICHBORN. Yes.

Mr. WHEELER. Would not that be a rather unsafe thing to do, if you proposed to keep the secret as the property of the Government, to turn her over

to irresponsible militiamen to go aboard of her and to allow others to go aboard of her?

Admiral HICHBORN. If you thought it important to maintain secrecy with greater care you could have one of the naval officers attached for that purpose.

Mr. WHEELER. I know nothing about it, but I regard it as important; but I know nothing about it.

Admiral HICHBORN. I do not think there would be any danger in that respect. The militia is under rules and regulations, and I think it would be safe.

Mr. CUMMINGS. It would be entirely under the scope of the Navy Department?

Admiral HICHBORN. That depends upon the rules they adopt.

Mr. WHEELER. Is it contemplated, if we make this appropriation, that the Government is to buy the patent or the exclusive right to make it?

Admiral HICHBORN. I do not know, sir; I do not know what the situation is as to that. They would have to go into some negotiations, I presume, with this company. Probably this company would contract with the Government to furnish so many boats at such a price and the Government would be relieved from all royalties.

Mr. WHEELER. I suppose the Government would have the exclusive right to manufacture this boat and own it if we proposed to pay for it; that is my understanding, but I do not know anything of that.

The CHAIRMAN. I want to say that we will have the contractor here in a little while as to that.

Mr. VANDIVER. As I understand, the Admiral a moment ago expressed the opinion that the submarine torpedo boat had passed the experimental stage, and I would like to ask, further, in that connection, if it is in practical use in the navies in other countries, or did he refer only——

Admiral HICHBORN. I referred to the *Holland*. I do not think they have any comparison to the *Holland* in any other navy. They have not reached this degree of perfection.

Mr. VANDIVER. As I understand, they have some submarine boats, have they not?

Admiral HICHBORN. The French Government is the principal one which has submarine boats.

Mr. VANDIVER. Have not the English some, too?

Admiral HICHBORN. No, sir.

Mr. VANDIVER. In what respect, speaking only in a general way—in what respect do they differ from this type?

Admiral HICHBORN. That is, the French Government's?

Mr. VANDIVER. Yes, sir.

Admiral HICHBORN. They are not so manageable; they can not sink, they can not dive, and they can not be directed as well as our boat.

Mr. VANDIVER. You think this is an improvement, then, in the process of directing the boat?

Admiral HICHBORN. Yes, sir; the *Holland* to-day is an improvement on anything that has ever been built in the history of the world.

Mr. VANDIVER. Now, I think we were all impressed that way when we saw its operations, as far as our information goes; but what is there to enable us to make comparison, and in view of that I asked the question awhile ago which seemed to me still to be of some importance, and also in connection with a similar question that Mr. Wheeler asked. Do you not think it would be advisable, in case we buy or construct any of these boats, to keep that advantage of this improved method of directing them to our own use instead of allowing it to become the property of the world generally?

Admiral HICHBORN. I do not think it ought to be the property of the world under any circumstances.

Mr. VANDIVER. That is the point I wanted to bring out.

Admiral HICHBORN. It is the skill and energy of the American brain that has produced this, and we find it always goes to the front in case of necessity.

The CHAIRMAN. I presume it would be proper to applaud that sentiment?

Admiral HICHBORN. You always find it so.

The CHAIRMAN. I merely said that the committee applaud that sentiment.

Mr. TATE. Especially is that true of our Navy.

Admiral HICHBORN. I think we can all agree on that.

The CHAIRMAN. If there are no further questions, we extend to the Admiral our thanks for coming here, and we would be glad to have him remain or excuse him, as he may see fit.

Admiral HICHBORN. I thank you; but I will have to go along.

The CHAIRMAN. You are always welcome when you come and join us.

Admiral HICHBORN. For more than twenty years I have been coming around this table.

The CHAIRMAN. And I hope you will continue to come for twenty years more.

Admiral HICHBORN. I feel as though I belong here.

The CHAIRMAN. I take pleasure in introducing to you Lieutenant Caldwell, who was on board the *Holland* on the occasion of her trip down the river, and he will make any statement he may desire first, and then, in accordance with our adopted plan, the examination will be conducted by Mr. Cummings.

STATEMENT OF LIEUT. H. H. CALDWELL.

Mr. CUMMINGS. Please give us a detailed statement of your experience on the trial trip down off Mount Vernon?

Lieutenant CALDWELL. Well, I made two trips in her.

Mr. CUMMINGS. Take both; tell us about it.

Lieutenant CALDWELL. I made another about a week ago Saturday; I made a second trip, and I can tell you more intelligently about that one than about the first one. The boat sank perfectly; it dived perfectly.

Mr. CUMMINGS. Let us know how you came to go there first; by whose orders.

Lieutenant CALDWELL. I went entirely on my own account; not officially in any way. I went simply because I was interested in the boat and wanted to see her, and see how she worked; that is all, sir.

Mr. HAWLEY. You mean you are interested in your professional work.

Lieutenant CALDWELL. Yes, sir; I had no orders from anyone. I was on duty with Admiral Dewey, and he gave me permission; that is all.

The CHAIRMAN. You can resume your statement.

Lieutenant CALDWELL. This first time we were towed down by a tug to Mount Vernon, and we made a preliminary balancing test before the committee came down on the yacht.

Mr. CUMMINGS. What do you mean by a balancing test?

Lieutenant CALDWELL. That is trimming the boat by pumping water into the forward and after tanks, so that she would remain approximately on an even keel. It is simply a case of balancing. I did not know what was going on the first run, but I learned what was being done the second run I made in her, and I think I could do that part of it.

Then we came up to the surface and waited until your committee came down on the yacht, and then we carried out the programme, as you saw. Everything on the inside is worked by these six men and the captain, and worked very smoothly. There was no hitch in any way. The captain steered the boat—that is, on the horizontal plane—and the second man controlled the diving rudder by a wheel which is on the opposite side from the steering wheel. He has to be a very skillful man—the second man, who works the diving rudder—because it is a very delicate adjustment. They have got a very good man there. There is no difficulty about it at all, but it needs training, and I would say that of all the stations in the boat they will require skilled men and require some considerable training. The air supply was always good. There is no difficulty about that.

The torpedo was discharged at the exact moment the captain gave the order, and, as far as I understand, it ran very well; but it was not discharged at a target, so it is hard to say whether it would have sunk a ship or not, and I can not say that; but there is no difficulty whatever about firing it.

Mr. CUMMINGS. In case of firing a torpedo at a ship, would the boat come to the top of the water for observations?

Lieutenant CALDWELL. Yes, sir; it would be absolutely necessary for her to have her turret above the water at the time of firing, because you can not get the direction otherwise.

Mr. MEYER. She would have to rise?

Lieutenant CALDWELL. Yes, sir; as she did at the time she fired the torpedo, and she stayed up 12 seconds.

Mr. VANDIVER. Would there be any necessity of keeping the boat under water while you fire the torpedo?

Lieutenant CALDWELL. It does not matter about that, but you must have a sight at the actual moment of firing, and to do that you have to expose your turret for a short time. On this run it was about twelve seconds.

Mr. MEYER. Is that all the portion of the vessel that is exposed—the turret?

Lieutenant CALDWELL. It is the only part which was exposed; just that little round part on the top.

The CHAIRMAN. I do not want to interfere, but I want to ask is that perfectly water-tight down there?

Lieutenant CALDWELL. Yes, sir; it is perfectly water-tight.

The CHAIRMAN. Was it clean and agreeable?

Lieutenant CALDWELL. Clean and very roomy, considering the amount of machinery there is in it.

Mr. CUMMINGS. Was the air perfect?

Lieutenant CALDWELL. The air was perfect.

Mr. VANDIVER. What is the method of getting rid of the air after breathing?

Lieutenant CALDWELL. It is blown out by a fan.

Mr. VANDIVER. That would be when it comes to the surface?

Lieutenant CALDWELL. Yes; but they can blow it out under water. To do that they would, of course, have to admit air from the tanks. They have air compressed up to 2,000 pounds pressure in the tanks, and allow that to come out at about the normal pressure of air in such quantities as they see fit; but to me it does not seem likely that it will be necessary to use that, because you would not run long enough under water to use the air within the boat without coming to the surface and opening the hatch for a moment, and when you do that you get a fresh supply of air.

Mr. CUMMINGS. How long do you think she can run under water without coming to the surface?

Lieutenant CALDWELL. You mean, without using her compressed air? That is what I am speaking of. I think she can run as long as her electricity would run—as long as the motive power would run. This could be done, but I would not do it in practice.

Mr. CUMMINGS. Suppose there is a ship 5 miles off and the submarine boat was lying in a river; would you come to the surface in going there?

Lieutenant CALDWELL. You have to come to the surface very frequently to see where you are steering—in rivers especially. If you have got a straight course, you need not come up often, but if it is narrow and crooked you have to come to the surface very often.

Mr. HAWLEY. My understanding is they steer by the compass, and, once steering straight, they maintain that direction without difficulty.

Lieutenant CALDWELL. That is correct.

Mr. HAWLEY. Why do you find it important to come to the surface?

Lieutenant CALDWELL. Because of curves in the river, or anything of that kind.

Mr. HAWLEY. I understand it would in that case; but suppose you are in an open bay, as Mr. Cummings says, 5 miles distant from a battle ship, and the course was perfectly clear, where you traverse the entire distance between the initial starting point and the point at which the vessel was, would you then be obliged to come to the surface?

Lieutenant CALDWELL. In theory you would not, but in practice you would, on account of tides and currents.

Mr. HAWLEY. Well, at what distance? How far in the practical workings of this boat would you require to come to the surface; would you traverse the whole of that distance under the water?

Lieutenant CALDWELL. If you had a perfectly plain course, and if your target was stationary, I would not consider it necessary to come to the surface except once, say about a mile from the target.

Mr. HAWLEY. Then, you would run 4 miles under water?

Lieutenant CALDWELL. Yes, sir.

Mr. HAWLEY. That answers the question.

Lieutenant CALDWELL. I would come to within about a mile of the target and get a new direction and then go down and not come up again until I got ready to fire at the target, which would be within four or five hundred yards from it. The steering is by compass, which is well compensated for deviation and works very well.

The CHAIRMAN. Is it efficient in turning rapidly and quickly?

Lieutenant CALDWELL. It turns beautifully. That was done on the trial on the 14th of March, when she turned under the water after firing. She dived, turned, and came back in the opposite direction.

Mr. CUMMINGS. In the report of Admiral Rogers he says:

"But the steering and diving gear did not work satisfactorily, owing, we believe, to the inexperience of the crew."

What was your experience regarding the steering and diving?

Lieutenant CALDWELL. I can readily see that with an inexperienced crew she would steer very erratically. You have to have well-trained men, but there is no difficulty in getting men available to be trained. I do not think that would present any difficulty, sir.

Mr. CUMMINGS. "The apparatus for insuring a steady course during the run below water was not used." Was it used when you were on board of her?

Lieutenant CALDWELL. I do not understand that.

Mr. CUMMINGS. The report of the Rogers board said: "The apparatus for insuring a steady course during the run below water was not used." Was it used while you were on board of her?

Lieutenant CALDWELL. I do not know what that apparatus is, sir. The steering engine was used.

Mr. CUMMINGS. The board also says: "Steadiness of movement in horizontal and vertical plane unsatisfactory." Did you find it so?

Lieutenant CALDWELL. Not at all; it was perfectly satisfactory; it was simply skillful steering, the same way as we when we have a man at the helm who is not a good quartermaster or a good seaman the ship is not steered well and does not steer a steady course, and it is the same way in this; you have to have very highly trained men.

Mr. CUMMINGS. They were the only faults, if they were faults, which were found by the board.

Mr. FROST. In the second trial they were all corrected; that was the first trial.

Mr. CUMMINGS. This was on the first trial. I would like the Lieutenant to tell me exactly what he did when he went on that boat up to the time he emerged from it, on this trial.

Lieutenant CALDWELL. I did nothing at all, except to sit quietly on a stool which they gave me and watch the manipulation of the boat. The boat is all practically open on the inside and you can see what every man is doing in it except the engineer, who is a little hidden from this big compartment, but it is a very good place of observation. We went in and, as I say, each man was at his station.

Mr. CUMMINGS. Is it all one room?

Lieutenant CALDWELL. It is all one room, yes, sir; each man has his station sitting on a stool, and I took a place where I could watch the pressure gauge and immersion gauge. I could not have told sometimes whether we were below the water or on top except for that gauge, and I watched this man steer, that is the second man that I spoke of. He had nothing to do but to work this little wheel which regulated the immersion and you of course saw how well that was done, because the masts and flags were kept just above the water, and I could see by the gauge that he kept it perfectly level, with a variation perhaps of 3 feet, not so much as that, I should say a foot and a half. The captain stood on the steps of this little tower and steered the boat and also gave orders about going ahead and told the man when to dive and when to come up and about filling the tanks and generally directing the boat. The other men were stationed at the valves for the different tanks and the engineer at the engine, the electrician at the motor, as we were running by electricity.

Mr. CUMMINGS. Did they have electric lights?

Lieutenant CALDWELL. They have electric lights all through, and it is well lighted, and, as I say, the air was always good and we had no difficulty about breathing. When it became time to fire the torpedo it was fired by a man stationed at the forward trimming tank without any difficulty.

Mr. CUMMINGS. Was it fired from a gun?

Lieutenant CALDWELL. It was fired from a torpedo discharging tube, the same as used on torpedo boats. It may be called a gun, but it is fired by compressed air.

Mr. CUMMINGS. Was it placed in the gun while you were there?

Lieutenant CALDWELL. No, sir; it was already in the gun, and it was the only torpedo on board, but it is very easy to see how they could be placed in the gun. There are no mechanical difficulties in that.

Mr. HAWLEY. So any number could be carried.

Lieutenant CALDWELL. On the present *Holland* they have three, but the captain tells me they can carry four, and I do not see any reason why they could not have four right there in that space.

Mr. CUMMINGS. What kind of a torpedo was it?

Lieutenant CALDWELL. The Whitehead.

Mr. CUMMINGS. What will it weigh?

Lieutenant CALDWELL. Well, it weighs about 840 pounds, I think, sir.

Mr. CUMMINGS. After the discharge did it affect the boat any?

Lieutenant CALDWELL. Not in the least; it was a very slight shock. They have a very ingenious scheme of automatically compensating the weight of the torpedo. They have a tank with water in it of just the weight of the torpedo, so that when the torpedo is discharged they allow this to take the place of the weight of the torpedo, and it does not affect the stability of the boat at all, and that works very well.

Mr. LOUDENSLAGER. It seems to me most of the testimony we have heard here has been to demonstrate the efficiency of this boat as a submarine boat. Now, I want, if possible, to try to get the efficiency by an investigation, which will show the efficiency of this boat as a fleet destroyer. Have you ever witnessed the experiment where a torpedo was discharged against a target?

Lieutenant CALDWELL. No, sir.

Mr. LOUDENSLAGER. Have you ever read where there was such an experiment?

Lieutenant CALDWELL. I have not read of any actual experiment, but I have some knowledge of ships being destroyed in battle by torpedoes.

Mr. LOUDENSLAGER. By this boat?

Lieutenant CALDWELL. No; but by torpedoes.

Mr. LOUDENSLAGER. I am speaking about the efficiency of her discharging one at a target to make it effective.

Lieutenant CALDWELL. Well, I do not know of any experiments which have ever been made, because torpedoes are very expensive. A torpedo costs about $2,500, or something like that, and they save them and just run them with dummy heads.

Mr. LOUDENSLAGER. Well, in order to show her efficiency we would have to have some demonstration in kind or character; or is her machinery such, in your judgment, that would make you believe it would be possible to discharge that torpedo at a given target and destroy it?

Lieutenant CALDWELL. She has discharged a torpedo direct at a target.

Mr. LOUDENSLAGER. At a target?

Lieutenant CALDWELL. Yes, sir. It is a well-known fact with a torpedo, as Admiral Hichborn says, if it strikes it will blow up any ship there is; so I think the experiment is just as good to discharge a dummy torpedo and allow it to run at some mark, and then you save the torpedo.

Mr. LOUDENSLAGER. Was this successful?

Lieutenant CALDWELL. Yes, sir.

Mr. LOUDENSLAGER. Did it hit the mark?

Lieutenant CALDWELL. We did not discharge it at a mark, but the board of inspection, which made the official test, said it was very successful.

Mr. MEYER. Did it strike the mark?

Lieutenant CALDWELL. It went between the two flags,

Mr. MEYER. How far apart were the two flags?

Lieutenant CALDWELL. That is in the report.

Mr. KITCHIN. It seems from the requirements they were about 300 feet apart. It says here: "The ends of the course were marked by two buoys 300 feet apart and each quarter mile by buoys 1,000 feet apart." So I suppose the flags would be 300 feet apart?

Lieutenant CALDWELL. That would probably be it.

Mr. LOUDENSLAGER. Now, I want to get at your judgment as to what would be the chances of destruction of either one or two boats. This submarine boat has to come to the surface and discharge its torpedoes. What are the chances of a battle ship or a cruiser destroying it as it comes to the surface?

Lieutenant CALDWELL. About one in a million.

Mr. LOUDENSLAGER. Does it not, before coming to the surface for a long while, carry a mark on the water of exactly where it is?

Lieutenant CALDWELL. It should not.

Mr. LOUDENSLAGER. Does it not have marks or something?

Lieutenant CALDWELL. Oh, no; they have these masts simply to show the people on these trials where she is all the time.

Mr. LOUDENSLAGER. Nothing would be shown?

Lieutenant CALDWELL. The turret would be all that would be shown at any time.

Mr. LOUDENSLAGER. And all it would take is for the person who discharged the torpedo to see the object and take his range?

Lieutenant CALDWELL. It is not a question of range—that does not enter into it—but a question of direction.

Mr. LOUDENSLAGER. I meant direction; I did not mean range.

Lieutenant CALDWELL. That is the way the boat would look in time of action when you would not have any masts at all; you would not have that funnel.

Mr. HAWLEY. What is the displacement of that boat?

Lieutenant CALDWELL. The displacement of the *Holland* is 74 tons. Of this boat, I think it is 103 tons. It is a little larger.

Mr. LOUDENSLAGER. I would like for you to make the statement you made to me quietly in regard to seeing one of these boats being carried by a larger one.

Lieutenant CALDWELL. I have said that I have seen in actual practice a Russian armored cruiser in the East, I have forgotten her name; she had compartments in her quarter in which she hauled out a torpedo boat and launched it from the compartment at about the water's edge, like launching them on the stocks. So, if you want to transport these vessels on a man of war it would not be economical, because it takes up too much space and weight, but you could put them on merchant ships, which have plenty of room.

Mr. HAWLEY. What distance can you make these torpedoes effective?

Lieutenant CALDWELL. There is good deal of question about that; it is somewhere between 400 and 800 yards. They say there is no difficulty about its running 800 yards, but the chance of hitting is so much less that I would run them from 400 to 500 yards.

Mr. HAWLEY. It will be effective at 400 or 500 yards?

Lieutenant CALDWELL. It would be effective, yes. Of course the closer you get the better the chances are of hitting.

Mr. HAWLEY. Have you ever had occasion in your profession to examine the coast defenses of our country; I do not mean critically, but I mean generally?

Lieutenant CALDWELL. Yes, sir.

Mr. HAWLEY. Do you consider the construction of these boats has rendered it not necessary to build on the enlarged scale, as is now in progress and projected in relation to coast defenses on land?

Lieutenant CALDWELL. Well, what I think this boat is designed to take the place of more than anything else is submarine mines and torpedoes. I am not prepared to say it will take the place of land fortifications.

Mr. HAWLEY. Even to the extent of modifying them in some degree?

Lieutenant CALDWELL. Yes; I do not know about that, but what it will take the place of is submarine mines and torpedoes.

Mr. KITCHIN. I just wish to call your attention to the statement of Capt. John Low, of the United States Navy, made in a letter to the Secretary of the Navy on November 7, 1899, in which he said:

"We need right off and right now 50 submarine torpedo vessels in Long Island Sound to preserve the peace and give potency to our diplomacy."

Do you think they should have 50 in Long Island Sound, or how many?

Lieutenant CALDWELL. No, sir; I do not; I can not imagine he means 50 for that one place.

Mr. KITCHIN. That is my opinion, but I saw that in Capt. John Low's letter.

The CHAIRMAN. We are under obligations to you and would be very glad to have you return at any time.

Lieutenant CALDWELL. Not at all.

STATEMENT OF MR. JOHN P. HOLLAND.

The CHAIRMAN. Now, we have the inventor of this torpedo boat here, Mr. Holland himself, and if he will come forward we will be very glad to have him add anything he may desire to this hearing.

Mr. CUMMINGS. I would like to have you detail specifically what you consider the strong points of your submarine boats.

Mr. HOLLAND. Its power of secret approach and attack are its strongest points; and to those I may add its attack, when driven home, is irresponsible; that is, the torpedo exploding against the ship.

Mr. CUMMINGS. How long have you been experimenting on your boat, Mr. Holland?

Mr. HOLLAND. I have been experimenting since 1877.

Mr. CUMMINGS. When did you launch the first submarine boat?

Mr. HOLLAND. In 1877.

Mr. CUMMINGS. Was that in New York Harbor?

Mr. HOLLAND. No; it was in the Passaic River, above the bridge at Paterson, N. J.

Mr. CUMMINGS. When was it you were conducting your experiment in New York Harbor?

Mr. HOLLAND. In 1881 to 1883; that is, with my second vessel.

Mr. CUMMINGS. Did you not at one time discontinue your experiments?

Mr. HOLLAND. There were three occasions I discontinued my experiments and abandoned them indefinitely, not to touch it any more.

Mr. CUMMINGS. That is what I understood.

Mr. HOLLAND. The first time on the advice of a naval officer, who was the late Admiral Simpson. He advised me to give it up, as it was very difficult work to get anything through in Washington. I gave it up; but some friends supplied the money and I built my first vessel. Later they supplied the money to build a second, and with that I did most of our work. It was entirely successful in almost every respect, but it was rather small, being only 31 feet long and 6 feet in diameter, with about 19 tons displacement. Later I built a third one as a working model for those which were to follow, and I experimented with those two in New York Harbor, mostly with the second one. It was just as successful in its way as the *Holland* has been, only at that time we did not have storage batteries for running submerged; it was not in existence then. The advent of the storage apparatus has practically rendered submarine navigation possible.

Mr. CUMMINGS. Now, in these experiments was the Navy represented; were they watching?

Mr. HOLLAND. No, sir; the Navy paid no attention to it; but some year or two after the close of my experiments some officers in the Navy, through professional interest, endeavored to find out all about it, and among them was Commander Kimball, and I had several interviews with him, and he was very much surprised to hear what stage of development had been attained. He had no idea that it had attained such a development, and he interested his colleagues in the Bureau of Ordnance, Captain Converse and Captain Maynard, and they interested the Chief of the Bureau of Ordnance, who is now Admiral Sicard, and they got an appropriation from Secretary Whitney to build a submarine boat out of the $2,000,000 placed in his hands to be expended for the purposes of harbor and coast defense in his judgment. That appropriation was placed in the hands of the Secretary of the Navy, and they advertised for bids for a submarine boat, and they invited everybody; all naval engineers and architects, not alone Americans, were invited to compete.

Mr. CUMMINGS. It was broad enough to take in the rest of the world?

Mr. HOLLAND. Yes, sir; and my chief competitor was Nordenfelt, maker of the Nordenfelt-Maxim gun and also a builder of submarine boats at that time, and we had a competition and I won it, and although I did win it I did not get it, because of the nonconformity of the bid by the persons who bid for me, the Cramps; they made no deposit, and I doubt very much whether they gave any guaranty, but they made no deposit, as the law required, so though I won in the competition I did not get it.

Mr. CUMMINGS. What other competitors bid with you?

Mr. HOLLAND. Nordenfelt and two others; I do not remember the names of the others. I think Baker, building a boat in Lake Erie, was one of them. But a readvertisement was made, and in the next year—1889—they had another competition, and there were several plans proposed, and I won it; but, as in the first case, I did not get the money though I won it, because it was wanted for the completion of the *Monterey*, so I was dropped. That is the second time I abandoned submarine boats.

Mr. CUMMINGS. Who was Secretary of the Navy then?

Mr. HOLLAND. The one who succeeded Mr. Whitney; I think General Tracy.

The CHAIRMAN. When was it that you entered into this present contract with the Government, and what is the arrangement between you and the Government on which you are building this present boat?

Mr. HOLLAND. Well, in regard to the building of the *Plunger*, the Government has nothing whatever to do with the building at Baltimore, Md., except to send an officer to inform themselves of what is being done in its progress.

The CHAIRMAN. We have no interest in the *Holland* as a Government?

Mr. HOLLAND. Not yet, sir.

The CHAIRMAN. How about the *Plunger*? Is that being built according to your plans?

Mr. HOLLAND. Yes, sir; the *Plunger* was authorized in 1893, after a third competition, which I also won, and it was contracted for in 1895; but we were unfortunate in our contract—that is, in the parties who took it—because they were too slow; because the first piece of metal which entered into the construction of the boat was brought into the yard on the day they agreed to deliver; and finally we got permission of the Navy to remove it, and it was taken away and sent to the Triggs works in Richmond, and we expect now to finish it in short order, probably in six or seven months. That belongs to the Government. It is not fully paid for yet.

Mr. CUMMINGS. Now, was there not some legislation under which the Government was to take the *Holland*, provided you fulfilled the requirements and specifications?

Mr. HOLLAND. Yes, sir; there was. In 1896 Congress voted an appropriation of $300,000 for boats on the model of the *Plunger*, provided she would meet the expectations of the Government. In 1898 we had that law modified, because we discovered by experience she was very much better than the *Plunger*, and we asked Congress to substitute the word *Holland* for *Plunger* and it did so; so now there is an appropriation standing in our name for two boats. With a part of that appropriation the Secretary of the Navy proposes to buy the *Holland*, and we expect that he will contract with us for another new one of this type—that is, No. 7. It is a little larger than the *Holland*, being 120 tons displacement. The other is only 75, and it is 8 feet longer and has very much more room, and is more satisfactory, and carries five torpedoes instead of three.

The CHAIRMAN. Five instead of three?

Mr. HOLLAND. Yes, sir.

Mr. CUMMINGS. Here is the clause in the naval appropriation bill approved June 10, 1896:

"The Secretary of the Navy is hereby authorized to contract for the building of two submarine torpedo boats of the Holland type, at a cost not to exceed one hundred and seventy-five thousand dollars each, said boats to be constructed and delivered to the Navy Department within four months from the date of contract, providing that the Holland boat now being built for the Department shall be accepted by the Department as fulfilling all the requirements of the contract and as being satisfactory to the Secretary of the Navy; but no action shall be taken therein until the said Holland boat now being built by the Department shall have been fully tested to the satisfaction of the Secretary of the Navy and thereupon accepted."

Then in the naval appropriation act for 1900 the following legislation occurs:

"The act of June tenth, eighteen hundred and ninety-six, authorizing the construction in the discretion of the Secretary of the Navy, of two submarine boats, is hereby amended, so as to permit the Secretary to contract for two submarine boats of the Holland type, similar to the submarine boat *Holland*."

Mr. HOLLAND. Yes, sir.

Mr. CUMMINGS. So, as it stands to-day, the Navy has reported that all the requirements have been fulfilled?

Mr. HOLLAND. Yes, sir.

Mr. CUMMINGS. Therefore they will purchase this boat with the additional provision for building another boat?

Mr. HOLLAND. Yes, sir.

Mr. CUMMINGS. Of the same type?

Mr. HOLLAND. Yes, sir; but slightly altered. It is the *Holland* with the defects eliminated. As far as we know, we have eliminated them and this is the result: The boat is a little longer and has very much more power; she will have 180 horsepower to run on the surface instead of only 50, and 70 horsepower to run submerged instead of only 50.

Mr. CUMMINGS. Let me get at this. You are not required to build submarine boats for the United States alone?

Mr. HOLLAND. No, sir.

Mr. CUMMINGS. But you can build them for whom you please?

Mr. HOLLAND. Yes, sir; because our patents are published in foreign countries.

The CHAIRMAN. You are a citizen of the United States?

Mr. HOLLAND. Yes, sir; I am a citizen of the United States, but not a native.

The CHAIRMAN. But you are in a position, if the Government desires to do so, to construct for it as many as 20 of these boats and allow the Government to control the secret?

Mr. HOLLAND. While I am in the position to do it, I have not contracted to do it, because they have not asked us to do it, and they have not asked my opinion.

The CHAIRMAN. I understand; but we are doing that now. You have not any works of your own, but do it by contract?

Mr. HOLLAND. By a subcontract.

Mr. CUMMINGS. You would be in a position to make a contract with this Government whereby this Government should control the process or you plan?

Mr. HOLLAND. Certainly. By the way, I made a mistake. Would the Government ask the control only over the American patent? They have not made us any proposition at all to buy the sole right to it; but I am ready to do it. My company is perfectly willing to do it in case they make us a proposition—an acceptable proposition.

Mr. WHEELER. What would be the advantage to the Government of controlling the output or controlling your process, if you have got foreign patents to it by which the governments of the world are advised of the process of construction and the mechanism of the ship?

Mr. HOLLAND. The advantage to the Government would be merely the saving in the price of building if they build themselves, that is all.

Mr. LOUDENSLAGER. Does your transfer to the Government transfer all the rights under the foreign patents?

Mr. HOLLAND. They have never asked me to do so, sir.

Mr. LOUDENSLAGER. Does your contemplated transfer take that in?

Mr. HOLLAND. No, sir; it does not.

Mr. LOUDENSLAGER. Would you be willing to transfer to this Government all your rights and all your patents?

Mr. HOLLAND. I would be only too glad if the Government would do it. They have it at their disposal; they are free to do it.

Mr. WHEELER. What is the advantage if the foreign governments are advised as to the mechanism of the ship?

Mr. LOUDENSLAGER. The only object in having this would be to have something that no other government has or could obtain.

Mr. WHEELER. The foreign governments would not respect the patents in case of war; they would construct them if they desired, and would ignore the patent entirely; of course they would.

The CHAIRMAN. We are very glad to have had your statement, Mr. Holland, and very glad to have had you here. Well, now, I believe this closes this hearing, gentlemen.

Mr. CUMMINGS. I will put in, Mr. Chairman, these two reports.

The CHAIRMAN. Without any objection Mr. Cummings will add to this any printed reports or printed information he desires to; we will be very glad to have you do that.

Thereupon the committee adjourned.

LETTER OF SECRETARY OF THE NAVY PRESCRIBING TESTS FOR THE HOLLAND.

NAVY DEPARTMENT, *Washington, May 3, 1898.*

GENTLEMEN: 1. The Department has considered the various reports that have thus far been made regarding your submarine torpedo boat, which you have recently offered for sale to the Government.

2. While these reports are in many respects favorable, it is evident that in several essential particulars certain parts of the mechanism have worked imperfectly, and the working of other parts has either not been demonstrated or has not been functioned to the satisfaction of the inspectors who were ordered to witness the trials of the boat.

3. The Department is, however, willing to witness further trials when you are prepared to make them, and will order a board of naval officers for that purpose if you so desire.

4. Among the points which must be successfully exhibited in order that the Department may consider the idea of purchase are the following:

Ability to run awash at good speed; ability to dive and to rise readily and with certainty; ability to run under water at depths from 10 to 35 feet at a

speed of about 6 knots per hour, the boat holding a reasonably steady course, both in the vertical and horizontal planes during said runs, which are to be each not less than ten minutes in duration; ability to turn both to starboard and to port with reasonable quickness and certainty, the steering gear being managed without too much effort and conveying readily and with certainty the movements of the steering wheel to the rudder; the mechanism for controlling the diving apparatus to be equally efficient and satisfactory; the mechanism for raising and lowering the boat in the water and for altering her trim must be also efficient and certain in its action; the apparatus for insuring a steady course during the run, both above and below water, must be reasonably simple and also certain and efficient in its action.

5. The board will be directed to ascertain accurately the rate of speed both above and below water, as well as the steadiness of movement in the horizontal and vertical planes; and the facility of turning with the diameter of the turning circle, etc.; and for these purposes you must be prepared with staffs or other suitable devices to enable the board to determine the position of the boat during her submergence.

6. The boat must be strongly constructed, the material and workmanship of all parts the best of their respective kinds, and the efficient performance of the torpedo discharge apparatus must be demonstrated to the satisfaction of the board by one or more discharges of torpedoes adapted to each kind of tube, mounted on board; and such torpedoes as you propose to furnish yourselves must function satisfactorily during flight, and must explode with certainty at the proper time.

7. The Department will furnish service Whitehead torpedoes which your company must discharge successfully and efficiently through the tube you have provided for that purpose.

8. It is to be understood that all parts of the torpedo discharge apparatus shall be thoroughly practicable and efficient, and that the boat complete, and her armament shall be efficient, practical, and adapted to the uses of submarine warfare, including the means of supplying air inside during the whole time that she may be used to effect a submarine operation in war.

9. If you desire to have this trial made you will please so inform the Department promptly, stating the time you will be ready to exhibit the boat to the board.

Very respectfully,

JOHN D. LONG,
Secretary.

The JOHN HOLLAND TORPEDO BOAT COMPANY,
25 Pine Street, New York City, N. Y.

RECOMMENDATION OF BOARD ON CONSTRUCTION OF TESTS FOR THE HOLLAND.

NAVY DEPARTMENT, *Washington, June 15, 1898.*

SIRS: Referring to your letters of May 28, June 6, and June 11, respectively, relative to further tests of the submarine boat *Holland*, I have to inform you that the several letters above mentioned were referred to the board of construction, and under date of the 14th instant the board reports as follows:

"In view of the fact that the Department, by its letter of May 3, 1898, to the Holland Torpedo Boat Company, informed the company that it was willing to witness further trials of the Holland submarine boat, and would order a board of naval officers for that purpose, if desired by the company, and in view of the fact that the Holland Company in its letter to the Department of May 28, 1898, having informed the Department that it expected to be ready to submit the boat for further trial to the Department within ten days, but requesting certain modifications in the lengths of the staffs to be carried by the boat during certain conditions of the trial, and further requesting that a member of the board be ordered to go down in the boat at her next trial, the board on construction has the honor to recommend that when the company fixes a definite date on which the boat will be ready, the Department order a board of naval officers to witness such tests as the company is prepared to make, and on account of their familiarity with the subject, it is suggested that the members of the former board be again ordered. The board recommends that the request of the com-

pany as to staffs be granted, viz, 'not to be more than 11 feet long, and to be taken off when submerged runs for speed are made, and when the boat is to be submerged more than 10 feet, and to be removed altogether when the boat is to be tested for accurate steering.' It is not recommended that a member of the board be ordered to go down in the boat, as her safety is not an assured fact, but the board sees no objection to any naval officer going down in her who desires to do so. The board does not recommend that the Department furnish projectiles for the guns of the Holland boat, being of the opinion that the company should supply its own projectiles or dummies of proper size and weight to demonstrate the efficiency of the aerial torpedo guns. The Bureau of Ordnance informs the board that it is ready to supply a Whitehead torpedo at any time the company will signify that it is ready for it, but as, so far as known, the company has no means of charging the air flask of the torpedo, it should not call for the torpedo until it is needed.

"In addition to the requirements specified in the Department's letter of May 3, 1898, to the Holland Company, all of which should be adhered to, except as herein modified, the board is of the opinion that the boat should at least show her ability to make a surface run of 8 nautical miles, followed by a submerged run of 2 miles, and a return run on the surface of 10 miles. Her radius action should be ascertained both on the surface and submerged. She should carry food and water for her crew for at least twenty-four hours. She should be able to receive on board, in a reasonable time and without difficulty, a service torpedo. Her ability to recharge her storage battery by means of her own dynamo and gas engines should be ascertained. In case of accident to her machinery she should be able to anchor and get under way. The approximate range of her aerial guns should be ascertained. The question of habitability for the crew is of great importance, and it should be determined whether a crew could remain in her long enough to conduct reasonable operations without undue hardships. The company should be given to understand distinctly that the Department is to be under no expense on account of this test, aside from furnishing a Whitehead torpedo for use during the same, and, moreover, that by consenting to witness further tests the Department in no way commits itself as to its further actions concerning the Holland submarine boat."

The Department approves the foregoing report and recommendations of the board on construction, together with the additional requirements suggested to those specified in the Department's letter of May 3, 1898, to the Holland Torpedo Boat Company, all of which shall be adhered to, except in so far as the latter have been modified by the above report of the board.

As soon as the Department is informed that a definite date has been fixed by your company on which the *Holland* will be ready for further trial, it will consider the question of ordering a board of naval officers to witness such tests as the company is prepared to make. It is to be distinctly understood, however, that the Department is to be at no expense on account of said tests, aside from furnishing the Whitehead torpedo for use during the same, nor does the Department, by consenting to witness such further tests, in any way commit itself as to its future action concerning the Holland submarine boat.

Very respectfully,

JOHN D. LONG, *Secretary.*

The JNO. P. HOLLAND TORPEDO BOAT COMPANY,
141 Broadway, New York City.

Orders for Board of Inspection and Survey.

NAVY DEPARTMENT,
Washington, November 4, 1898.

SIR: The board of inspection and survey, of which you are the senior member, is hereby ordered to assemble at such place as may be selected by the Holland Torpedo Boat Company, at 10 a. m. on the 12th instant, for the purpose of inspecting the submarine boat *Holland.* You will proceed to such place as may be designated and assemble the board on the date specified.

Upon the completion of this duty return to Washington, D. C., and resume your present duties.

Place yourself in communication with Mr. E. B. Frost, the treasurer of the company, 141 Broadway, New York, N. Y.

A list of the officers who have been aboard this vessel during the submerged runs is herewith inclosed for the information of the board, and in case consultation with any of them is desired the Department will issue the necessary orders, if requested by you.

Respectfully,

JOHN D. LONG,
Secretary.

Capt. FREDERICK RODGERS, U. S. N.,
President Board of Inspection and Survey,
Navy Department, Washington, D. C.

Report of trial of Holland submarine boat.

NAVY DEPARTMENT,
BOARD OF INSPECTION AND SURVEY,
Washington, D. C., November 12, 1898.

SIR: 1. The board appointed by the Department's order of November 4, 1898, for the purpose of inspecting the submarine boat *Holland*, has the honor to make the following report:

2. A copy of the above-mentioned order is herewith appended, marked "A."

3. In obedience to the provisions of this order, the board, after preliminary arrangement with the Holland Company, was convened at 10.30 a. m. on November 12, 1898, at Pier A, North River, New York—present, all members and the recorder—and immediately embarked on a tug which transported them to the foot of Fiftieth street, South Brooklyn, where the *Holland* was lying moored to dock.

4. The board decided that the first item of the programme for the day should be the firing of a torpedo. A Whitehead of 17.7 inches was placed in the tube by means of a cage lowered from the dock, and thus introducing the torpedo from the outside, an awkward but necessary arrangement. The time required was twenty minutes for placing the torpedo in the tube, twenty minutes for draining the tube and torpedo, and four minutes for charging. The torpedo was charged for 1,000 pounds and set for 5 feet. The placing and charging of the torpedo was superintended by Lieut. W. J. Sears, U. S. N., who had come from the Bliss Torpedo Factory for the purpose. There was considerable delay in making the adjustments, etc., partly on account of the lubricating oil being frozen, and partly because the rear end of the torpedo tube is so near the deck that when the torpedo is pulled inboard the tailpiece takes against the deck. This should be remedied.

5. At 12.45 p. m. the *Holland* shoved off from the dock and started down the harbor, followed by the tug containing the members of the board. On board the *Holland* were five members of her crew, Chief Engineer John Lowe, U. S. N., Naval Cadet H. J. Elson, U. S. N., and Lieut. Nathan Sargent, U. S. N., the recorder of the board, this making eight souls in all. The boat started out under an electric motive power, and on the surface of the water; that is, having only her natural submersion, under which circumstance her conning tower and about 18 inches of the upper framework, built so as to afford a flat footing above the round hull, was out of water. At 12.56 the torpedo was fired with a pressure of 50 pounds, and with the boat underway at a speed of some 5.3 knots, the electric motor at the time making 275 revolutions. The torpedo ran near the surface and with several breaches, for a distance of some 300 yards, and was picked up by a launch sent for the purpose.

6. At 1.05, after some slight difficulty in getting the engine started, the *Holland* went ahead under her gasoline engine, which was used until 2.20, when Princess Bay, near Sandy Hook, was reached. During this run the engine made about 300 revolutions, equal to a speed of 6 knots.

7. Preparations were now made for diving by submerging the boat, some twenty minutes being occupied in filling the forward, main, and after tanks, and in getting the boat in proper trim for diving. This length of time was due to the inexperience of the man running the boat and not to any trouble with the mechanism, which functioned perfectly, the tanks being filled in the space of one minute for each. The motive power was now changed from gasoline to electric.

8. From 2.40 to 3.10 a number of dives were made, ballast shifted, or water blown from tanks or let in, with the view of putting the boat in proper trim for a long dive, the duration of the dives being as follows:

"First dive, 1 minute.
"Second dive, 2 minutes.
"Third dive, 0 minutes 15 seconds.
"Fourth dive, 4 minutes 15 seconds.
"Fifth dive, 4 minutes 15 seconds.
"Sixth dive, 0 minutes 30 seconds.
"Seventh dive, 0 minutes 40 seconds.
"Eighth dive, 10 minutes 20 seconds.
"Ninth dive, 0 minutes 20 seconds.
"Tenth dive, 0 minutes 10 seconds.
"Eleventh dive, 2 minutes 35 seconds.
"Twelfth dive, 4 minutes 10 seconds.
"Thirteenth dive, 4 minutes 10 seconds.
"Fourteenth dive, 1 minute 10 seconds.
"Fifteenth dive, 0 minutes 15 seconds.
"Sixteenth dive, 0 minutes 50 seconds.
"Seventeenth dive, 0 minutes 15 seconds.
"Eighteenth dive, 0 minutes 50 seconds.
"Nineteenth dive, 0 minutes 30 seconds."

The maximum depth attained in diving was 15 feet, and in the long ten-minute dive an even depth of 7 feet was maintained for the greater part of the time. The boat decidedly proved her ability to dive, but much time was wasted in balancing her preparatory to diving, and when this began it was noticed that the boat broached often. Both of these objectionable features were evidently due to inexperience on the part of the crew. The boat is caused to dive and come up by the action of her horizontal rudders, which are moved by a compressed-air steering engine. If the valve of this engine is delicately manipulated, the boat, if properly trimmed, should be kept at a desired depth without trouble, but the tendency of all inexperienced operators would be to feel a little nervous as the boat inclines downward, and to reverse the valve too rapidly, thereby bringing her up again with a rush. This was the case in this trial, but can easily be remedied by experience. The maximum inclination was 12 degrees by the head and 3 degrees by the stern.

9. After the ten-minute dive Lieutenant Sargent left the *Holland* and his place was taken by Commander W. H. Emory, U. S. N., the junior member of the board.

10. At 3.57, the diving being finished, the water was blown out of the forward and main tanks, and at 4.11 the boat started homeward under her gas engine, arriving off her dock about 6 p. m.

11. The consumption of electricity from the storage battery was shown by fall of voltage from 124 at start to 118 at finish. The lowest point to which it is desirable to go with the battery is 104 volts, so that enough voltage was left for four hours' more run, and in an emergency this could have been exceeded. The time for recharging the storage battery, which is done by means of the gasoline engine and dynamo, is from eight to ten hours.

12. During the time (from 12.20 to 3.22) that the boat was submerged for diving the scuttle of the conning tower was necessarily hermetically closed, but for this whole hour the air seemed perfectly good, it being refreshed from time to time by the discharge of air from the exhausts of the steering and diving engines.

13. The boat seems to steer wildly. Whether this is due to sluggishness of the compass, which is very small, or to inexperience on the part of the man in the conning tower could not be determined.

14. With regard to the requirements for the *Holland*, as laid down by the War Board and the Bureau of Construction at various times, the board met on Sunday, the 13th instant, heard the testimony of Chief Engineers Lowe and Zane, Lieutenant Sears, Naval Cadet Evans, all of whom had been down in the boat, and considered the experience of the trial the day before. From all of the above they concluded as follows upon the clauses of the different requirements:

I. Ability to run awash at good speed established.

II. Ability to dive and rise readily and with certainty established.

III. Ability to run under water at depths from 10 to 35 feet at 6 knots, the boat holding a steady course both in the vertical and horizontal planes during said runs, which are to be each not less than ten minutes in duration, not established. Steering was very erratic and boat unable to maintain position under water for more than a few minutes at a time. We believe, however, that this was owing to inexperience of crew.

IV. Ability to turn both to starboard and port with reasonable quickness and certainty, steering gear working well, etc., the mechanism for controlling the diving apparatus to be equally efficient and satisfactory. The boat turns

quickly, but the steering and diving gear did not work satisfactorily, owing, we believe, to the inexperience of the crew.

V. The mechanism for raising and lowering the boat in the water and for altering her trim worked satisfactorily and was certain in its action.

VI. The apparatus for insuring a steady course during the run below water was not used. That for securing a steady course on the surface worked very satisfactorily.

VII. Rate of speed above water, about 6 knots. Rate of speed under water, about 4 knots.

VIII. Steadiness of movement in horizontal and vertical plane, unsatisfactory.

IX. Facility of turning, good. Tactical diameter not ascertained.

X. The boat is strongly constructed. Torpedo discharge appears satisfactory.

XI. Air supply was good and ample.

XII. Boat was able to make surface run of reasonable length, and we believe can be made to run under water 4 to 5 miles, though she failed to do 2 miles on this trial.

XIII. Radius of action, both on surface and submerged, we believe to be satisfactory.

XIV. She can carry food for crew for twenty-four hours.

XV. Can discharge service torpedo.

XVI. Ability to recharge storage battery by means of her own dynamo and gas engine, satisfactory.

XVII. Ability to anchor, satisfactory.

XVIII. Range of aerial gun not ascertained.

XIX. Men can remain on board for reasonable time.

15. In view of the fact that, from want of practice in handling the boat and the torpedo in connection with it, the company was not prepared to comply with the requirements of the board, it is recommended that another trial be made under more systematic conditions, with a trained crew, with more preparations for the trial properly made beforehand, and particularly with the following details carried out:

(*a*) Have three torpedoes in place.

(*b*) Have all arrangements made for charging torpedoes without delay.

(*c*) Be prepared to fire torpedo at full speed when submerged as well as when at full speed on surface.

(*d*) Have crew exercised by actual practice so as to be able to make required submerged runs and steer a straight course. In order to make a trial submerged run of 2 miles, it is recommended that two marking buoys be placed in Lower or Sandy Hook Bay a mile apart, and that a boat to serve as torpedo target be anchored near one of these buoys, so that the *Holland*, after running a mile under water, can come up to surface for observation, discharge her torpedo, and then, diving again, can return to first buoy. This would complete her 2-mile under-water run. A measure of her efficiency will be shown by the number of times it is necessary for her to come to the surface for observation.

(*e*) The buoys necessary for the above runs could readily be placed in proper positions before the trial by the light-house tender of the New York district.

Respectfully,

FRED'K RODGERS,
Captain, U. S. N., President of Board.
CIPRIANO ANDRADE,
Chief Engineer, U. S. N., Member.
R. D. EVANS,
Captain, U. S. N., Member.
W. H. EMORY,
Commander, U. S. N., Member.
N. SARGENT,
Lieutenant, U. S. N., Recorder.

The SECRETARY OF THE NAVY.

LETTER OF SECRETARY OF THE NAVY, WITH RECOMMENDATION OF BOARD ON CONSTRUCTION, AS TO TEST OF HOLLAND.

NAVY DEPARTMENT, *Washington, June 27, 1899.*

SIR: The Department received your letter of the 19th instant, referring to the report of the board of inspection and survey on the trial of the submarine boat *Holland*, which took place November 12 last, particularly to clause 15 of said

report, recommending that another trial of the *Holland* be made under more systematic conditions, with a trained crew, etc., and requesting that, in accordance therewith, the board of inspection and survey be instructed to witness and report upon the further trials of the *Holland*, which will take place within the next thirty days.

In reply I have to inform you that under date of the 12th instant the board of inspection and survey referred to the Department your letter of the 9th instant, asking that the trial course of the submarine torpedo boat *Holland* be laid out in Little Peconic Bay, and suggestion that such course be laid out by a trained surveyor, whose certificate or affidavit would be considered sufficient evidence of its exactness. Having referred your letter to the board on construction for recommendation, the board reported as follows:

"The board on construction is of the same opinion as that expressed in the first indorsement hereon by the president of the board of inspection and survey, namely, that the within request is a reasonable one and that Little Peconic Bay is a suitable place for the trial; and it is recommended that the request be granted in case the Department decides to order any further inspections of the submarine boat *Holland*.

"A certificate from the surveyor who lays out the course as to its exactness (in case it is done) might be accepted, the Department reserving the right to verify the course, if it chooses.

"On the 20th instant the Department informed the president of the board of inspection and survey that, in view of the foregoing report of the board on construction, the bard was authorized to witness the contemplated submerged trial of the *Holland*, but that the Department would not issue any orders to the board directing an inspection of the vessel while submerged, although any individual members of the board were at liberty to make such inspection if they voluntarily desired to do so.

Very respectfully,

JOHN D. LONG,
Secretary.

Mr. E. B. FROST,
Secretary Holland Torpedo Boat Company,
No. 100 Broadway, New York City, N. Y.

NAVY DEPARTMENT,
BOARD OF INSPECTION AND SURVEY,
Washington, D. C., November 9, 1899.

SIR: 1. In obedience to the Department's order of November 3, 1899, a copy of which is appended, marked "A," the Board of Inspection and Survey has the honor to submit the following report on the trial of the submarine boat *Holland* in Little Peconic Bay, Long Island, November 6, 1899.

2. The board met in New London, Conn., on the afternoon of November 5, and took passage in the light-house tender *Cactus* for Greenport, Long Island. This vessel had been placed at the service of the board by the courtesy of the Light-House Board.

3. The representatives of the Holland Company met the board in Greenport, and the arrangements were made for the trial at 2.39 p. m. on November 6.

4. At 8.30 a. m. on November 6 the board left Greenport in the *Cactus* and proceeded to New Suffolk, Long Island, where the *Holland* was lying. A thorough inspection of the plans and of the vessel was made, and the board was impressed with the excellent condition of the boat and all its appliances. At 12.45 p. m. the *Holland* left the wharf at New Suffolk and proceeded to the course laid out.

Commander W. H. Emory, member of the board, went on board at the wharf and remained during the runs over the measured mile. Capt. John Lowe, U. S. N., and six members of the crew were also on board, making a total of eight persons in the boat during the runs. The president and the other members of the board took passage in the company's tender and kept abreast the *Holland* during the runs, to note her behavior and speed. At 2 hours 28 minutes 5 seconds the *Holland* made whistle signal that she was about to dive, and at 2 hours 30 minutes 11 seconds disappeared, hull and conning tower, beneath the surface, and at 2 hours 30 minutes 55 seconds she passed the buoy marking the beginning of the statute mile. At 2 hours 31 minutes 35 seconds she came to the surface, remained in sight eight seconds, when she disappeared and gradually assumed an even trim at a submergence of about 5 feet, maintaining this trim and submergence without serious variations throughout the

course. At 2 hours 41 minutes, when near the buoys marking the termination of the first mile, the vessel rose to the surface and changed course first to port then to starboard, heading for a target flag on the course. At the time of rising to the surface the vessel was within the 300-foot channel marked by the buoys at end of course. At 2 hours 42 minutes, just before reaching the end of the mile, the torpedo was fired and the helm put hard a-starboard, and headed for the return run over the course. This torpedo made a straight run and passed within 70 feet of target and was recovered. At 2 hours 43 minutes 12 seconds the vessel was again submerged, and at 2 hours 49 minutes 45 seconds passed the half-mile buoys; at 2 hours 52 minutes 50 seconds, the three-quarter mile station; and at 2 hours 56 minutes 38 seconds completed the mile, having risen to the surface 28 seconds before reaching the buoys, being on the eastern edge of the 300-foot channel.

5. Throughout the double run over the mile the conning tower was closed and the air within the vessel was quite fresh and pure. While on the course and submerged, it was very noticeable that the only disturbance of the water was due to the distance poles at each end of the boat. On one or two occasions, when the vessel dipped forward and the propeller came near the surface, the wake of the boat was quite noticeable, although the vessel itself was not in sight.

6. After these runs Commander Emory left the boat and Naval Constructor Capps and Lieutenant-Commander Henderson went on board. One member of the crew was also sent to the tender, so that the weight carried was approximately the same as before. After closing the conning tower instructions were given to prepare for firing a second torpedo at full speed. The conditions at the beginning of this experiment were as follows: Torpedo tube full of water; two torpedoes on deck abaft tube, one centered on batten skids with tackle hooked ready to run torpedo into tube; torpedo gate closed.

7. A a given signal the air valves were opened and water forced from the torpedo tube into compensating tanks. The elapsed time from opening air valves to opening breech of torpedo tube was four minutes forty-five seconds. Torpedo was in place in tube and breech closed in one minute thirty seconds. The tube was then filled with water from compensating tank in one minute. The outer gate of torpedo tube opened in thirty-five seconds. The total time consumed, from order to load to ready to fire, was seven minutes fifty seconds. The vessel was then submerged to a depth of 5½ feet and run at full speed and torpedo fired.

Time of submergence in test was one minute twenty seconds.

This torpedo came to the surface and disappeared about 75 yards ahead of the boat and was not recovered. These torpedoes were charged to 1,325 pounds pressure; range 400 yards and depth of 5 feet.

8. Log of the *Holland* during this trial:

Voltage at start, 125.

12.45 p. m.—Start from wharf. Electric engine. Crusing trim. Commander W. H. Emory, Captain John Lowe, U. S. N., and six members of crew on board. One torpedo in tube, one amidships, and one in starboard wing.

12.48 p. m.—Substituted gas engine. Making for the course. Revolutions of the screw by gauge, 250. Pressure in all air tanks 2,100 pounds

1.10 p. m.—Slowed down to 170 revolutions.

1.12 p. m.—Stopped and changed to electric engine.

1.14 p. m.—Closed conning tower.

1 hour 14 minutes 30 seconds.—Ahead on electric engine

1 hour 23 minutes.—Filled after tank.

1 hour 25 minutes.—Stopped.

1 hour 27 minutes.—Filled middle tank.

1 hour 28 minutes 30 seconds.—Filled forward tank.

1 hour 30 minutes.—Went ahead.

1 hour 30 minutes 30 seconds.—Dive. Revolutions, 212.

1 hour 37 minutes.—Rose to surface and blew out amidships tank.

1 hour 43 minutes.—Stopped. Turret open, awaiting arrival of consorts at course.

2 hours 19 minutes.—Start for official run.

2 hours 26 minutes.—Amidships tank filled and conning tower closed, and ran awash.

2 hours 28 minutes 30 seconds.—Dive. Revolutions, 226.

2 hours 35 minutes.—Got ready to fire torpedo.

2 hours 41 minutes.—Rose to surface.

2 hours 42 minutes.—Fired torpedo. Turned and headed for return run.

2 hours 43 minutes 12 seconds.—The dive was made. Vessel steered well in both vertical and horizontal planes.

2 hours 56 minutes 10 seconds.—Rose to surface.

2 hours 57 minutes.—Opened turret. Stopped. Two air tanks down to pressure of 1,300 pounds. Commander Emory and one of the crew left the boat. Their places were taken by Naval Constructor Capps and Lieutenant-Commander Henderson.

3 hours 20 minutes.—Closed turret and went ahead awash.

3 hours 35 minutes.—Dive. Ahead full speed, and fired torpedo at submergence of 5½ feet. Rose to surface, and the members of the board left the boat.

Maximum inclinations during these runs, 10 degrees by the head, 9 degrees by the stern.

Voltage at start, 125. At finish, after the surface run at 3 hours 50 minutes p. m., 123.

Trial ended.

REQUIREMENTS IN REPORT OF NOVEMBER 12, 1898.

(*a*) Have 3 torpedoes in place. Fulfilled.

(*b*) Have all arrangements made for charging torpedoes without delay. Fulfilled.

(*c*) Be prepared to fire torpedo at full speed when submerged, as well as when on surface. Fulfilled. Torpedo fired when submerged at full speed.

(*d*) Have crew exercised by actual practice, so as to be able to make required submerged runs and steer a straight course. In order to make a trial submerged run of 2 miles, it is recommended that two marking buoys be placed in lower or Sandy Hook Bay, a mile apart, and that a boat to serve as torpedo target be anchored near one of these buoys, so that the *Holland*, after running a mile under water, can come up to the surface for observation, discharge her torpedo, and then diving again can return to the first buoy. This would complete her 2-mile under-water run. A measure of her efficiency will be shown by the number of times it is necessary for her to come to the surface for observation.

(*e*) The buoys necessary for the above runs could readily be placed in proper positions before the trial by the light-house tender of the New York district.

These requirements were fulfilled by the performance of the *Holland* on this trial. The target used was a buoy instead of a boat.

The course was 1 statute mile in length, with a depth of 4 to 5 fathoms low water.

The ends of the course were marked by two buoys 300 feet apart and each quarter-mile by buoys 1,000 feet apart, as shown in the accompanying sketch.

The performance of the *Holland* during this trial showed a marked improvement, as compared with that of November 12, 1898. This development in the capabilities of the *Holland* appears to have been reached:

(1) By rearrangement of some parts of the machinery.

(2) Change of all the rudders to the usual position abaft the propeller, instead of forward of the latter, thereby much increasing the steering qualities of the boat in both planes.

(3) Adjustment of the compass, whereby the vessel was enabled to steer a straight course when under water.

(4) Drill and practice of the crew, resulting in their familiarity with all the duties assigned them, giving them confidence in the vessel.

9. A copy of the "specification and description of the *Hollnad*," furnished the board by the builders, is inclosed, marked "C."

A copy of report of trial of November 12, 1898, is inclosed, marked "B."

The sketch of the course is marked "D."

Papers relating to the *Holland* are herewith returned.

Very respectfully.

FREDERICK RODGERS,
Rear-Admiral, U. S. N., President.

W. H. EMORY,
Commander, U. S. N., Member.

C. R. ROELKER,
Commander, U. S. N., Member.

W. L. CAPPS,
Naval Constructor, U. S. N., Member.

T. J. HENDERSON,
Lieutenant-Commander, U. S. N., Member and Recorder.

The SECRETARY OF THE NAVY.

NAVY DEPARTMENT, *Washington, July 7, 1899.*

SIR: Place yourself in communication with the secretary of the Holland Torpedo Boat Company, 100 Broadway, New York, N. Y., for the purpose of being present at and witnessing the trial of the submarine torpedo boat *Holland*, to take place in the near future; and you will submit to the Department a report of your observations, together with notes on such maters of professional interest as may come under your notice.

This duty is in addition to your present duties.

Respectfully, JOHN D. LONG,
Secretary.

Capt. JOHN LOWE, U. S. N.,
Member Naval Engineering Examining Board,
Philadelphia, Pa., Commandant, League Island.

REPORT OF CHIEF ENGINEER LOWE, ON THE HOLLAND.

SUBMARINE TORPEDO BOAT HOLLAND,
HOLLAND TORPEDO BOAT STATION,
New Suffolk, Long Island, November 7, 1899.

SIR: In obedience to your order 180609, July 7, 1899; copy appended. On Thursday, July 13, I proceeded to this station and established communication with the Holland Company by presenting myself to its secretary, Elihu B. Frost, esq., and thereupon commenced a series of observations hereinafter described.

At this place are stationed and maintained a force of mechanics and draftsmen as well as the torpedo boat *Holland*, with its crew and their understudies.

Near by, in Little Peconic Bay, is also maintained a trial and practice course 2 miles long, marked out and subdivided by flag poles upon each side and end.

Upon this course the *Holland* has made a large number of runs in both directions, all of them for the purpose of experiment, for the instruction of the crew and their understudies, and incidentally for exhibition purposes whenever convenient to all parties concerned.

Two of these runs are notable.

One on July 26, 1899, before the board considering alterations to the *Plunger*, on which occasion all the members of the board, in pursuance of their duty, made submerged trips.

The second was on October 6, 1899, when two German naval officers were present, and one of them made the submerged trip, to be hereafter alluded to.

At all of these trials I was either present or else was fully cognizant of them and of their results, but of them I have made no report because, being preliminary, they could add nothing to the information of the Navy Department.

On August 30, 1899, Gunner Allan S. Mackenzie, U. S. N., reported for duty at this station, bringing with him three Whitehead torpedoes for use on board the *Holland* and for the instruction of the crew.

He has made several submarine trips in pursuance of his duty and all the success attained in handling these torpedoes is due entirely to him.

On Monday, November 6, 1899, the official trip of the *Holland* took place before the board of inspection and survey, the following members being present: Rear-Admiral Frederick Rodgers, U. S. N., president; Commander William H. Emory, U. S. N.; Commander Charles R. Roelker, U. S. N.; Naval Constructor W. L. Capps, U. S. N.; Lieut. Commander T. J. Henderson, U. S. N., recorder.

The start from the wharf at New Suffolk was made at 12.45 p. m. with the electric engine. Present on board, Commander William H. Emory, U. S. N., Capt. John Lowe, U. S. N., and seven members of the crew, making nine persons in all, or four more than when going into a fight. There were three Whitehead torpedoes on board—to wit, one in the firing tube, one just abaft the tube, and the third in the starboard wing of the boat.

The following are the principal circumstances which took place within the boat:

Start, as before said, at 12.45 p. m. with the electric engine; substituted the gas or surface engine at 12.48 and made for the course. Revolutions, 250. Stopped at 1.12 and substituted the electric engine. Closed the conning tower and ahead at 1.14. Filled after ballast tank, 1.23; amidship tank at 1.27, and trimmed the forward tank to 3,225 pounds of water ballast, when the vessel

was ready to dive; ahead at 1.30 and a dive made at 1:30.30 p. m. to 6½ feet, this being a preliminary dive before reaching the course, which was ended by rising to the surface and discharging the amidship tank at 1.27.

The vessel then, turret open and crew on deck, stood off-and-on, awaiting the coming of the observation boat and other vessels, until 2.19 p. m., when the turret was closed, the amidship tank filled, and the vessel started awash at 2.26, then at 2:28.30 the vessel dove, and proceeded upon the course before described and the official trial commenced. Revolutions, 226. Amperes, 175. Volts, 125. Observed that the movement of both helms was quite small, indicating complete equilibrium. While thus submerged the first torpedo was fired at 2:40.30. Discharge pressure, 50 pounds per square inch. At 2:55.30 the vessel came to the surface, the amidship tank discharged, and the vessel was brought to a stop at 2:56.30, the end of the course being reached. At this point Commander Emory left the vessel, and shortly afterwards Lieutenant Henderson and Constructor Capps came on board. At 3.20 a new start was made awash. Stopped at 3:22.35 and loaded the torpedo tube with the second torpedo, which operation was finished and the vessel started at 3.28. Stopped and filled amidship tank at 3:29.40. Trimmed forward tank to 3,200 pounds water ballast, when the vessel was in trim. Ahead at 3:34.05 p. m. Dive at 3.35; then while the vessel was at full speed submerged the second torpedo was fired at 3.37. The amidship tank was then discharged, the vessel brought to the surface, and stopped at 3:38.30, and Messrs. Henderson and Capps left the vessel. Afterwards while in cruising trim the vessel made a short speed run, the beginning of which I lost by a faulty observation, but stopped at 3.50 p. m. Four hundred and twenty amperes at 123 volts was the output during the time. The trial was then declared to be at an end.

At the start the voltage was 125 and there were 6 air tubes filled with air to a pressure per square inch of 2,100 pounds. At the finish the voltage was 123 volts, and 2 air tubes had the pressure lessened to 600 pounds per square inch, leaving the 4 others intact.

The maximum inclination of the vessel in diving was 10 degrees by the head and 9 degrees by the stern.

The consumption of electricity was evidenced by a fall of 2 volts. Remembering that 104 volts is the lowermost limit, it is evident that the vessel could have gone 10 times farther than she did during this trial.

All movements of the vessel were made in obedience to the command of the president, Rear-Admiral Rodgers, U. S. N.

I greatly regret the fact that the crew of this vessel were not given the opportunity to exhibit themselves in one thing more to which they had been drilled, to wit: Allowing the vessel to sink to the bottom of the bay, and thus while entirely out of sight of any, either friend or enemy, while resting on the bottom, of loading the third torpedo in readiness for a third shot, and then leisurely making her appearance upon the surface again, to fire the third shot.

Throughout this trial the submergence could have been anything desired, but care was taken not to entirely submerge the flags and poles because that would have rendered the vessel invisible to the board. In real warfare these flags and poles would not be present at all, and the vessel would be invisible even when lightly submerged.

Throughout the trial the air in the living spaces was entirely pure to breathe, being refreshed from the steering engines, and from that used in discharging the trimming tanks.

In obedience then to that part of my orders requiring me to submit a report of my observations, I submit the facts hereinbefore stated, and I report my belief that the *Holland* is a successful and veritable submarine torpedo boat, capable of making a veritable attack upon an enemy unseen and undetectable, and that, therefore, she is an engine of warfare of terrible potency which the Government must necessarily adopt into its service.

In obedience to the latter part of my orders, I add the following notes upon matters of professional interest coming under my notice:

Concerning the worse than worthlessness of the present above-water torpedo system, its methods, theories, and appliances, the need for a deliverance from its absurdities and from the fools' paradise of its false security, and instead thereof the absolute need of a real torpedo system, such as the submarine system I have already reported under date November 14, 1898.

Upon these topics I can not now make better effort; therefore I ask that my old report be considered alongside of this one.

In addition, however, I would like to give further reasons why a submarine service should at once be organized as a matter of public necessity and security.

In the first place, we must concede that, notwithstanding The Hague conference, the time has not yet arrived for nations to disarm. On the contrary, that nation which is not ready to fight, that ceases to study war, that ceases to use the most frightful warlike appliances when war is made, has already placed itself in a position of inferiority and has ceased to possess those valuable attributes which are well described by the term manhood. Such a nation is already in the position of China—a prey to the weakest and the most rapacious and a disturbance to all the rest of mankind.

If, then, we propose to fight, we must fight when we fight with every fighting appliance, and therefore if there is anything valuable in submarine torpedo warfare we must not permit our hands to be tied behind our backs by any Hague conference or pusillanimous humanitarianism forbidding such appliance.

Again, conceding war to be possible, consider where the United States is weak and how to resist attack.

Let us not, ostrich-like, hide our eyes in the sand, but if we see danger let us look upon it.

We have distant dependencies—the Philippines, Hawaii, and the like. Will an enemy seek to bring us to terms by attacking these? Perhaps so; but if so, the move would be a weak one, exceedingly weak. In fact, we could afford to offer these as a gambit upon which the enemy could waste its strength while we were developing counter moves.

Let us not deceive ourselves. Any powerful enemy would not play at war after that fashion. They would strike us in the vitals. An eight-day dash across the Atlantic would bring their ships to Montauk Point, where they would encounter the American fleet, which, being destroyed by force of numbers, the remainder of the enemy's ships could pass on and anchor in Long Island Sound in perfect security and very shortly Long Island would become a foreign possession.

Do not consider this scheme a fanciful one. It is not original to my mind. So many have spoken of it that I am satisfied it has been considered and digested in foreign councils and is part of their programme.

Our last Spanish war convinced me that our own people were at that time awake to this fact, for we saw the Army diligently fortifying against what? Phantom ships.

In our next war it won't be phantom ships, for there are at least two nations which can do this thing single handed.

We need right off and right now 50 submarine torpedo vessels in Long Island Sound to preserve the peace and to give potency to our diplomacy.

The French in this matter are much more alive to their needs than are we. What we have left to a private company the French have taken up as a national affair.

Leaving out the *Gymnote*, of which I know but little, the French at the end of this year will have spent money and produced vessels as follows:

Gustave Zede	$586,181
Morse	166,483
Narval and class, 7 boats	910,000
Total	1,462,664

In round numbers, $1,500,000.

It so happens, however, that the *Zede* is only a partial success (newspaper accounts to the contrary notwithstanding), and the *Morse* still less so, while the *Narval* and class will be abject failures because of the same mistake made in our *Plunger*, a notable mistake which the *Holland* demonstrated in advance and which mistake, I understand, is to be rectified.

All the mistakes which have befallen the French will pass by our Government, notwithstanding the fact that instead of one and one-half millions our Government has not spent one cent, nor has it bestowed aything more than scant encouragement upon the private company which has spent large amounts of money.

Beside the mistakes saved, very many essential difficulties have been overcome which could not have been dreamed of at the outset, and as a consequence the Holland people, by means of the *Holland*, are in possession of ripe experience which the Government should possess, and no one else.

Among the facts stated in the first part of my report, I have described the Holland torpedo station and sketched the daily routine. I might observe that

this is precisely what the Government would do did it possess a station of the kind. It is also precisely the routine to be observed by a torpedo boat at sea lying in wait for an enemy—that is to say, while motionless or in cruising trim the batteries can be recharged and the air tanks filled ready for the approach of an enemy, until the fuel for the gas engine is nearly exhausted.

Of course, this routine has produced the *Holland* and its crew—the one available as a school and practice vessel, the crew available as drill masters wherewith to leaven the entire Navy.

It seems to me, therefore, quite a necessity that this Government should not allow this skill and knowledge to pass out of its own hands from native to foreign lands, but should forestall such a catastrophe by at once purchasing the *Holland* and putting the Holland people under some ban whereby they will be prevented from disclosing secrets to the disadvantage of the United States.

How keenly foreign governments are alive to the *Holland* I have shown in my facts herein reported concerning the presence of foreign officers upon her.

Concerning future improvements to be made in the *Holland* and her successors, I confine myself to one example to show how much this point is a matter of opinion and not yet of knowledge.

The *Holland* thus far has only one torpedo tube.

On the one hand, some advocate two such tubes and give good reasons; on the other hand, others argue that one tube only should be provided and give good reasons.

This, and several other alterations, can be made in the *Holland* either now or at any other time if so desired by the Government.

I desire to add my own opinion as to what the future policy of the Navy Department should be, after inaugurating a submarine service.

Instead of doing too much with one vessel, each one should be a distinct vessel of its kind, and not have combined two or more kinds in one vessel.

Thus there should be submarine torpedo boats, submarine gunboats, submarine observation and dispatch boats, submarine countermines, and submarine channel draggers, etc., each kind complete in itself, but not combining more than one office.

The object I have in mind is to keep the boats down to small dimensions for the sake of handiness and to keep each boat as roomy and as habitable as possible for the sake of the crew.

Further, it must be remembered that this class of vessel can not possibly have the comforts of a roomy vessel. For example, there is no room for bodily exercise and recreation. There can only be limited cooking facilities. They must, therefore, always be attached to some base, either on shore or afloat, and then when sent on service the vessel and the crew must be considered analogous to an army scouting party; they must carry food in their haversacks and water in their canteens. For sleep they will always be better off than soldiers are, because they will always have a dry and a warm blanket and sufficient relief to get sufficient rest.

When the fuel for the engines is exhausted, then food should be exhausted and the vessel should return to base, or the base to the boat, for relief and replenishment.

All of which I have the honor to submit.

JOHN LOWE,
Captain, United States Navy.

The SECRETARY OF THE NAVY.

SUBMARINE BOATS—STATEMENTS OF REPRESENTATIVE HILL, EX-GOVERNOR VOORHEES, CAPTAIN LAKE, AND LIEUTENANT-COMMANDER EDWARDS.

COMMITTEE ON NAVAL AFFAIRS,
Friday, March 28, 1902.

The Committee on Naval Affairs this day met, Hon. George Edmund Foss in the chair.

SUBMARINE TORPEDO BOATS.

The CHAIRMAN. Gentlemen, we have with us to-day Mr. Lake, the inventor of the Lake submarine torpedo boat, and his counsel, Ex-Governor Voorhees, of New Jersey, and Congressman Hill. Mr. Hill, in what order do you desire these gentlemen to be heard?

Hon. E. J. HILL (a Representative from the State of Connecticut). Mr. Chairman, has the communication of February 27 been distributed to the committee, in which this hearing is asked? If not, I will read it very briefly, so that the members can understand it.

PETITION—LAKE TORPEDO BOAT COMPANY, OF BRIDGEPORT, CONN., CONCERNING SUBMARINE BOATS (APPROPRIATION BILL). PRESENTED BY MR. HILL, OF CONNECTICUT, FOR REFERENCE TO THE COMMITTEE ON NAVAL AFFAIRS.

[Naval Affairs. Filed March 3, 1902.]

[Simon Lake, president; Henry J. Miller, secretary; L. B. Miller, treasurer. Directors: Friend W. Smith, Foster M. Voorhees, L. B. Miller, J. C. Lake, John C. Shelton, Henry J. Miller, Simon Lake. Counsel: Hon. Foster M. Voorhees. The Lake Torpedo Boat Company, incorporated June, 1901; designers and builders of submarine torpedo boats. Offices: 11 Broadway, New York City; 925 Main street, Bridgeport, Conn.]

BRIDGEPORT, CONN., *February 27, 1902.*

Hon. E. J. HILL,
House of Representatives, Washington, D. C.

DEAR SIR: This letter is written as a petition which the Lake Torpedo Boat Company, of your district, would be pleased to have you refer, through the House of Representatives, to the Committee on Naval Affairs, with a request that the same be printed for the use of the members of that committee, and that the clause hereinafter stated be included in the appropriation bill. The Lake Submarine Company has successfully mastered submarine navigation for commercial and wrecking uses and the Lake Torpedo Boat Company is now engaged in the construction of a submarine boat for naval warfare, and the same will be ready for inspection in a few months. The boat is being built by private interests unassisted by financial aid of the Government, with the hope that it will be purchased if deemed satisfactory and useful to the United States Navy. The company respectfully requests that the Committee on Naval Affairs incorporate in the naval appropriation bill a clause in effect as follows:

"The Secretary of the Navy is hereby authorized to contract for or purchase not to exceed three submarine boats at a price not exceeding $175,000 each: *Provided*, That prior to said purchase or contract for said boats any American inventor or owner of a submarine boat may give reasonable notice and have his, her, or its submarine boat tested before October 1, 1902, by comparison or competition, or both, with a Government submarine boat or any private competitor, and thereupon the board appointed for conducting such tests shall report the results of said competition or comparison, together with its recommendations, to the Secretary of the Navy, who may purchase or contract for submarine boats in a manner that will best advance the interests of the United States in submarine warfare: *And provided further*, That before any submarine boat is purchased or contracted for it shall be accepted by the Navy Department as fulfilling all reasonable requirements for submarine warfare and shall have been fully tested to the satisfaction of the Secretary of the Navy."

This clause is drafted with the following objects in view:

That American inventors may have a fair and impartial opportunity to compete in the science of submarine warfare and thereby engender healthy competition, which will develop the highest type of submarine craft and reward American inventors.

That the Secretary of the Navy may purchase any submarine boat that private interests may build and offer to the Government, and, if said boat is accepted, permit the Secretary of the Navy to contract for additional boats in a manner that will best promote naval submarine warfare for the United States.

That the requirements and conditions of comparisons, competition, and contracts may be absolutely under the control of the Navy Department, American inventors having only the right to demand a fair test of their inventions and a reward if said invention in submarine craft prove up to the standard set by the Navy Department.

Your petitioner asks that the Navy Department be requested to give its views and recommendations upon the aforesaid clause and that its represenatives may appear before the Naval Affairs Committee for a hearing in its behalf.

Respectfully submitted.

THE LAKE TORPEDO BOAT COMPANY,
By SIMON LAKE, *President.*

A hearing was asked to-day by Captain Lake upon a letter addressed to me on February 27, which was in the nature of a petition, asking that the committee will insert in the appropriation bill a certain item which is set forth in this petition.

I do not know that I care to appear before the committee in any way, except as the introducer of Captain Lake and Ex-Governor Voorhees, of New Jersey, who, I understand, appears here as counsel for the company.

I wish to add that my knowledge of the situation is confined wholly to an acquaintance with the stockholders of this company, and I am here simply to say to you, gentlemen, that they are perfectly reliable financially and in every other way. What their respective interests are I do not know.

The boat which I understand the company desires to put in competition I have seen and is being built in Bridgeport, and the gentlemen engaged in the work are entirely responsible, and I will be glad to call attention to some of the stockholders whom Captain Lake informed me about. I do not know who they are, except indirectly.

I knew some resided in the same city I do. Mr. P. H. Skidmore is a member of the Connecticut senate and one of the largest manufacturers of Bridgeport, a gentleman entirely responsible and capable of carrying this enterprise through by himself. Friend W. Smith is a large manufacturer. John C. Shelton is one of our wealthiest manufacturers. Mr. Winton is a very heavy pork packer of Bridgeport. Mr. Wallace has a large bakery establishment. Mr. Marigold is the postmaster of the city of Bridgeport. There is Captain Wallace, of the Union Typewriter Company. Mr. Thompson is superintendent of the Pacific Iron Works, and so I could go on.

Mr. F. J. Naramore is the collector of customs. Mr. Ferris, of South Norwalk, where I reside, is a gentleman of large means, fully capable of carrying out this whole enterprise personally without any assistance from anybody else. So I might go on. I do not know what the respective interests of these gentlemen are in this enterprise, but I have known for a year or two these gentlemen were interested in this company and in the building of these boats, and consequently I asked Captain Lake if he would give me the names of his stockholders, and he has given me these names from memory, and I am prepared as Representative from that district to vouch for the excellent character and the financial standing of these gentlemen.

I believe they are engaged in a legitimate, straightforward enterprise and will do exactly what they say they will do, build a boat and submit it to the Government, and not only that, but they are engaged outside of that in perfectly responsible commercial organizations as well, and I take pleasure, Mr. Chairman, in introducing Captain Lake and Governor Voorhees, who needs no introduction, I presume, to this committee.

The CHAIRMAN. Will Captain Lake speak first?

Mr. HILL. I think Governor Voorhees will take charge of the hearing.

Ex-Governor FOSTER M. VOORHEES. Mr. Chairman and the gentlemen of the committee, with your permission, my own experience in a much more limited field of legislation leads me to conclude that you want us to be brief.

I know how busy the committee are and how they are pressed for time. Believing that this type of boats is coming into use and that the Government ought to get the very best type possible, and anticipating that those behind the type already adopted will probably make application at this session for an increased appropriation for the purchase of new submarine boats made by them, we have thought it best that this committee should first be acquainted with the merits of the Lake submarine torpedo boat, in order to be satisfied that there should be inserted in the bill a clause such as is mentioned here in this circular letter. The proposed clause, it is respectfully submitted, is perfectly fair on its face.

It simply says that the Secretary of the Navy may, if he is satisfied after comparisons and tests have been made, order not more than three boats.

The people constructing this boat do not come to Congress asking it to pay the cost of construction or the cost of equipment. It says to Congress, We have a boat here which we desire to have tested. If you think it is worth purchasing, buy it, and, if not, ours is the loss. Recognizing, however, that this committee not being acquainted with the merits of the boat, and believing that they ought to be before they can act intelligently on the petition, Captain Lake, the president of the company, has asked for this hearing, and we would be very pleased to know how the committee would like him to present the merits of the boat and what the company is prepared to do in making the tests.

He will do so briefly and furnish afterwards a statement in print, or he will explain to you now the character of the boat and its purpose, the method pursued in its construction, and will answer such questions as the committee may desire to ask.

Mr. TAYLER. Before you go on, is there a proposition of the Navy Department for an appropriation for buying submarine boats in the pending appropriation bill?

The CHAIRMAN. There is no proposition at all.

Mr. TAYLER. This proposition, however, is not that any money should be expended on the Lake boat.

Ex-Governor VOORHEES. Not at all.

Mr. TAYLER. Only that an appropriation be made to purchase three submarine boats and that they shall be such as the Secretary of the Navy may find to be the best suitable for the purpose for which they are to be used?

Ex-Governor VOORHEES. Yes; and frankly, gentlemen of the committee, your action is requested in anticipation of a probable application for an increased appropriation for submarine torpedo boats of the Holland type.

Last year, as I recall, there were some 30 authorized by a bill which was defeated in the House, and afterwards in the Senate a bill was introduced by one of the Senators directing the construction of 3.

This bill was also defeated after a hearing before the committee at which Mr. Lake was present and explained the merits of this boat.

Mr. DAYTON. It might be well enough to state for the information of the new members of this committee that the submarine-boat question has been a vexed one before the committee for a number of years; that as an outcome of it all there are 8 boats constructed or being constructed of the Holland type, and last year an effort was made to secure 20, I think, Governor, instead of 30, but the Senate reduced it to 3 and in conference it finally went out. The proposition was defeated by the House conferees and the House itself, so that no provision was made. I may add that Mr. Lake was present and presented the merits of this boat and we at the time considered it, but we have never had anything like a full explanation of it.

Mr. WHEELER. Let us have one, then.

The CHAIRMAN. Captain Lake, proceed as you may see fit.

STATEMENT OF CAPT. SIMON LAKE, OF BIRDGEPORT, CONN.

Captain LAKE. Mr. Chairman and gentlemen of the committee, I should like to ask about the probable amount of time at your disposal.

The CHAIRMAN. You may proceed, and we will let you know later in regard to that.

Mr. WHEELER. Explain your boat.

Captain LAKE. This is a typewritten statement. The boat about which I propose to explain to you to-day is the result of twenty years' study and about eight years of constant experiment. This is the fourth boat, which is being built at Bridgeport now, that I have constructed during the past eight years. I will not read this——

The CHAIRMAN. We will have that printed in the hearing. (Exhibit A.)

Captain LAKE. This simply sets forth the tests covering that experience of twenty years which I would like to submit. It explains briefly what we have done with these various boats.

The first little boat I built myself, built out of floor boards, covered with coal tar, 14 feet long, and with three men cruised around Sandy Hook Bay at a depth of 16 feet. They opened the door in the bottom of that boat and picked up oysters and clams perfectly in 1894 with that little boat and demonstrated the entire practicability of our system of submarine navigation, which is entirely different from any other submarine boats built in the world. There have been nearly 150 built during the past twenty-five years in foreign countries and in this country.

Mr. KITCHIN. You mean 150 different kinds?

Captain LAKE. No; but the majority have been of one kind.

Mr. KITCHIN. Of the Holland type?

Captain LAKE. Well, you might call them of the Holland type to a certain degree. Mr. Holland was a later experimenter in what we call the "diving type," which is the same type of boat that Mr. Holland has been experimenting with. The Holland type operates in the same way as the "diving" types. Mr. Nordenfelt built a number of these boats, two for the Turkish Government, one for the Grecian Government, and also built some for Russia, and until 1890 he

was a very persistent experimenter with that class of vessel, and one day one of his boats sat on end and I think that discouraged him, and that has been the result with many of these boats of that particular type.

While Mr. Hiram Maxim, of Vickers Sons & Maxim, was in this country, we were asked to submit a proposition to his firm to sell out our entire European patents.

Mr. Maxim visited the *Argonaut* at New York and went down in her and examined her, and said it was the only practical submarine boat he had seen.

I asked him what had become of Mr. Nordenfelt, and he said, "Well, he has given up submarine boats and gone to making butter machinery," so he has evidently come to the conclusion that it would be impossible to make a success of that particular type. We have in this typewritten statement some correspondence with the Secretary of the Navy which explains our position and the fact that I have been trying to get a hearing before the Navy Department for the past eight years.

LAKE DEPARTMENT HEARING.

Mr. RIXEY. Has the Department ever given you a hearing?

Captain LAKE. Yes; we had a hearing on the 20th of last June. I appeared before the Board of Construction with my plans, and they spent a considerable time and went over them, and some of the members of the board congratulated me very highly and said they considered our type of vessel was superior to anything they had yet seen, and I would be very glad if you would ask the Secretary of the Navy to transmit to this committee the opinion of the board. Of course I have not had anything officially from them except the congratulations offered me at the time that we had the hearing, from which I considered that they were favorably impressed with the merits of our type of craft, especially for mining and countermining purposes.

LAKE BOAT DIFFERS FROM HOLLAND.

Mr. WHEELER. How does this boat differ from the Holland boat?

Captain LAKE. I will explain that, and, Mr. Chairman, if you will have these pamphlets (see Exhibit B) distributed I think the members will find in the front of the book a table.

This table shows the constructive features and capabilities of submarine torpedo boats, taken from the working specifications of the "Lake" boat now building at Bridgeport, Conn., of which this is a model, and from the official specifications of the submarine boats now in course of construction for the United States Government.

Now, if you will permit me, I think I can explain the difference in the two types very briefly and satisfactorily. I have prepared here a couple of models for the purpose of illustrating that point.

Now, this represents a boat—what we will call the diving type. The French, Spanish, and the earlier Nordenfelt's are all of this type, and they are caused to dive by horizontal rudders located usually at the stern, but in some cases in the bow. These boats built in this country during the civil war by the Confederates had their diving rudder in the bow. One of them sank the U. S. S. *Housatonic* at Charleston.

In that boat 32 men lost their lives at different times.

The CHAIRMAN. Was that boat used as a surface boat when she sank the *Housatonic?*

Captain LAKE. Yes, because of the fact that they found they could not control her under water as designed.

Twice she was found on the bottom of the river, end up, with nine dead men in her; because as soon as a vessel goes below the surface you have not a guiding medium to control her—that is, a vessel of this particular type.

These vessels are designed to dive by the force of the water coming against this horizontal rudder [illustrating], and thereby giving pitch to the head, and when they get down to a certain depth then the rudder is obliged to be shifted to bring the vessel horizontal again, and by the manipulation of this rudder either up or down that boat is caused to go along the water like that [illustrating with model], or in other words, it is designed to travel, as they call it, "like a fish."

"Fish boats" was what the Confederates called them. It is a fish without any fins. As long as these vessels are running on the surface they have a guid-

ing medium the same as a surface vessel, but as soon as they get below the surface of the water you lose that guiding medium.

Mr. [illegible]. What do you mean by a guiding medium?

Captain [illegible]. The buoyancy of the vessel upon the surface of the water gives the guiding medium.

The plane on which they travel is the surface of the water. Just as soon as the vessel sinks below the surface it loses that guiding medium.

Now many boats have been built on the false theory that the deeper you sink the more weight you must put in.

That is not true [illegible] boat which will sink below the surface 1 inch will go to the bottom [illegible] is arrested. The theory of some designers has been that if you wanted to go 17 feet you must put in so much weight, and if you want to go 30 feet you must put in more. Water is practically incompressible, and when a vessel [illegible] buoyancy and starts to fall she falls with an increasing rapidity [illegible] sinking to a depth of 100 feet is nearly [illegible] when she strikes the bottom.

This is the fate of an iron ship when she strikes on a coast where the bottom is as hard as a macadamized floor. The [illegible] broke in two in sinking in 120 feet of water. I have been in the wreck [illegible] and I know of a number of instances where the bottom of a ship has been crushed in by the vessel's falling on the hard sand.

Mr. [illegible]. This is a boat of the Holland type?

Captain [illegible]. I would not call it the Holland type; I would prefer to call it the diving type, of which I have said nearly 170 have been built.

Mr. [illegible]. Is the Holland boat of that type?

Captain [illegible]. The Holland boat is of that type. Now, Goubet, who has been experimenting in France and has built a number of boats for France and sold two to the Brazilian Government in 1896, attempts to maintain the depth of submersion by [illegible] water [illegible] equilibrium. He has found that 1 [illegible] of water [illegible] destroy the equilibrium of that vessel so that she would [illegible] of 10 tons displacement, in going to the depth of 30 feet, he could not by that system maintain any desired depth beneath the surface, and that she would go down to the bottom, bump, and rebound.

Le Plongeur was one of the first boats of the diving type built by the French, and she was built in 1863—a boat of four hundred and odd tons displacement, quite large for a submarine boat, and that was also the experience with her.

She would go down and strike the bottom and rebound like an an elastic ball. That is the description given by Professor Hovgaard, a student of the submarine-boat problem for many years in Denmark, and who is now professor in one of the Boston universities, very recently called there. As soon as you get below the surface difficulties commence. The first question is that of equilibrium; the next is maintenance of trim and course.

You are like a vessel in a fog, going between the surface and the bottom. You have no guiding medium, and instead of having only two directions in which you can go, right and left, as a surface vessel has, you can go in all sorts of directions.

Currents will deflect your course; every wave rolling above the vessel imparts an up-and-down motion to the particles of water beneath, so a vessel remaining stationary takes on, of course, that motion [illustrating with model.]

In inland waters you do not have that experience, the conditions being quite different even in the comparatively rough waters of Chesapeake Bay. Now, the shifting of water ballast has also been a source of great trouble with these boats. You see they must have but little fore-and-aft stability; otherwise the rudder would not cause them to dive. By fore-and-aft stability I mean that the center of gravity and the center of buoyancy of vessels of this type must be practically at the same point. Now, this screw head here [illustrating by model] represents the center of buoyancy, and the center of gravity is very little below that, and the nearer those two points are the more lively the boat is and the quicker to respond to the rudder and the more dangerous it becomes. Now, if a member of the crew moves forward, it is necessary to have some corresponding weight to move aft to prevent these boats going down by the head, and as soon as the boat starts to incline the water in the ballast tank rushes to the lowest end.

I illustrate this by one of these balls [referring to model]. This ball represents one of the crew moving forward in the boat, and this is the result.

The bow goes down, and unless the inclination is quickly corrected the boat runs her nose into the bottom.

The "Tuck" boat *Peacemaker*, experimented with some years ago in New York Bay, ran head first into the mud, and the records show that many of this type of which I have spoken have done the same thing.

I saw in the Army and Navy Journal only a month or two ago that one of the French boats made one of these sudden head-first dives and injured her hull, and the Nordenfelt boat, of which I spoke, did the opposite—she stood up on her screws. That has been the great fault of boats of this type. They have great difficulty to maintain a proper trim and equilibrium so as to control their course.

Then they have difficulties with the compass. With a boat of this kind it has been found almost impossible to adjust the compass, which is easily explained.

These boats are built of steel, and the compass is generally located in the conning tower, and this conning tower is usually smaller than that [illustrating].

The compass is located here. Now, it is possible in an iron ship to adjust the compass to compensate for the local magnetism contained in the hull of the vessel.

They do that by putting permanent magnets around the compass. It is possible to so adjust the compass that as long as the boat remains on a level keel the compass will be practically correct.

As a usual thing they have a deviation card, i. e., a correction card. The compass may be off a point or half a point on some particular course, but they steer by the use of the deviation card.

In a boat of this type it is impossible to properly adjust the compass, because the relation of the mass of metal in the boat to the compass is not constant.

Now, the compass is hung on gimbals, and the magnetic plane is generally found to be on a horizontal plane from the compass. So if we make our adjustment for the boat on a level keel, by bringing the bow of boat up or down here as is necessary in the diving type, you will bring more metal into the plane of the compass here and take more away there [illustrating by model]. Consequently the compass, the sailor men say, "immediately goes crazy;" it commences to spin around and sometimes it will "freeze" fast so it will remain stationary, and then all at once the card will let go and start spinning around again.

Mr. Holland describes that difficulty very clearly in one of his magazine articles—in Cassier's Magazine, I think.

Mr. TAYLER. How do you overcome that, in the Holland boat, for instance?

Captain LAKE. I understand they have not overcome it. I understand from testimony given, I think before this committee last year, that they had as many as nine deviation cards arranged from which to correct the compass readings for different positions; but it is hard to get a sailor or expert to steer correctly by even two deviation cards.

Mr. TAYLER. You also refer to the fact when a vessel of that type went below the surface, then, it was just as likely to go to a depth of 100 feet as it was to the depth of 5 feet?

Captain LAKE. Yes.

Mr. TAYLER. In the Holland type of boat do they maintain a certain position underneath the surface of the water; do they claim to do that?

Captain LAKE. I believe they claim to do so.

Mr. TAYLER. You think they can not do it?

Captain LAKE. I have never seen anyone who knew of their doing it at sea. Most, and I believe all, of their experiments have been in shallow inland water.

Mr. TAYLER. Your idea is with a boat of that type it is scientifically impossible to maintain it at a given depth below the surface?

Captain LAKE. I think so, owing to the conditions at sea. I believe it might be possible in comparatively smooth waters, and they say they have succeeded. They say they have one man, Captain Cable, who has become so expert by long practice with this boat that he can run a fairly accurate course in smooth inland waters. In quiet waters a man might become expert enough. It is simply a juggling act to maintain a vessel on the course under those circumstances, because a sailor at sea, a good steersman, must anticipate what his vessel is going to do.

If he does not, his boat goes in this direction [indicating] and makes what is called "snake paths."

A good sailor will learn to anticipate what his boat is going to do before she starts to do it, but you take a wheelman who waits until the vessel commences to go off her course and he does not make a good steersman.

Here it is impossible to anticipate the direction because there are so many courses which a boat can take.

On the surface there are only two directions, right and left, but below the surface it may be right or left, up or down, or in a great number of directions, and then the deflection of the currents carries it over in this direction and the wave action causes it to come up and down, thus [illustrating]. As soon as you start your screw propeller other difficulties arise.

The screw propeller does not exert its thrust in a direct line with the axis of the ship, but has a tendency to throw the stern around in a different plane, dependent whether it is a right or left hand pitch screw, and the difficulties are innumerable.

Mr. TAYLER. In other words, there are not only an infinite number of directions, but an infinite number of planes in which a vessel moves below the water, while on the surface of the water there is only one plane.

Captain LAKE. That is right; that is it.

The CHAIRMAN. I want to ask a question right there. Do I understand that this type of submarine boats has been more or less in operation for the last hundred years?

Captain LAKE. Yes, sir.

The CHAIRMAN. Have there been any improvements?

Captain LAKE. Yes, sir. They use the electric motor where Fulton had to use hand power, and they have the invention of the compressed-air engine, the gas engine, and the storage battery, but there is no difference in the principle. The only improvement has been in the machinery.

The CHAIRMAN. What is the difference in your boat?

Captain LAKE. This [indicating] represents a boat built on our principles of practically the same proportions as the other boat.

This boat, when running on the surface, is controlled the same as any surface vessel. Then we have, surmounting the cigar-shaped hull, the superstructure, as you see by this model, which is built of light metal, and that gives us considerable surface buoyancy.

This boat will have a surface buoyancy of 55 tons, and so when running on the surface she presents an appearance about like that [showing photograph].

It is a very comfortable cruising craft.

With the *Argonaut* we have cruised all along the coast under our own power, from Norfolk up to the head of Long Island Sound. We have been out in rough storms, and we found that she was a very able craft.

That is owing largely to this superstructure. When the *Argonaut* was originally built she did not have that superstructure, and we found that in cruising in the Chesapeake Bay sometimes the sea would wash entirely over her.

This boat is so designed that she has a great permanent stability, so that the entire crew may walk from one end of the boat to the other without affecting her fore and aft trim.

This is due to her large conning tower and heavy keel. The conning tower is placed over the center of gravity and becomes a buoyant moment when submerged, so that she becomes like a pendulum.

The stability will be that of a pendulum of about 50 tons weight, and the result is that we never have any fear of making sudden head-first dives or of running her nose into the bottom. One of the French boats recently attempted to submerge off Cherbourg and made one of these sudden dives and struck the bottom with such force as to start some rivets and dent the plates and they had great difficulty to keep her from foundering until they go to shore.

Here is a ball [indicating] which will illustrate that point. We put this ball in that channel way [indicating] and run it down to one end.

You see she is so ballasted that she inclines very little. That illustrates the difference between a craft with longitudinal stability and one that is unstable, as illustrated by the model previously shown you, which immediately stood on end under the same conditions.

Mr. WHEELER. That may depend on the position of the axis?

Captain LAKE. Certainly.

Mr. WHEELER. Is the axis the same in both models?

Captain LAKE. No, sir; that is the point. The transverse axis which corresponds to the center of buoyancy in our boat is a considerable distance above the center of gravity.

Mr. WATSON. Your superstructure would control that?

Captain LAKE. The superstructure, the conning tower, the tanks in the sides, and the heavy keel, yes, sir; so that the boat when submerged is much more stable than when on the surface. We have made some experiments with the *Argonaut* and determined that.

We hung a weight of 600 pounds out on one side, right off on that side [indicating], and then we admitted the water ballast. First we experimented to see how far she would lean over when on the surface.

Then we admitted a certain amount of water ballast to see how many degrees she would lean, with the 600-pound weight hanging out here [indicating]——

Mr. WATSON. How far out was that weight?

Captain LAKE. Twenty feet, and the deeper she went the more stable she was, so that when entirely submerged to this position [indicating the top of the conning tower] her stability was about twice as much as in the surface condition.

Mr. DAYTON. The stability depends upon where the centers of buoyancy and gravity are?

Captain LAKE. Yes, sir.

Mr. DAYTON. And the closer they are together the more unstable the craft will be?

Captain LAKE. Yes, sir. The center of gravity corresponds to the weight of a bulb or pendulum, and the center of buoyancy corresponds to the point or axis on which the pendulum is hung.

All cargo-carrying vessels, I think, are designed with their center of gravity above the center of buoyancy, but that is all right, because they have a greater beam in proportion to their depth and it makes it safe for them, but with a boat which must be entirely submerged you can not do that.

Mr. WHEELER. How do you go under water?

Captain LAKE. By referring to this pamphlet you will see that there are three different ways of submerging.

"Means of submerging—three. Admitting water ballast (that is common to all submarine boats), submerging with the use of the hydroplanes, and hauling down to the bottom or to any desired depth by the use of anchor weights."

I will describe the hydroplanes first.

The hydroplanes are what you might call two fins located in the guard here [indicating].

This model is made on a one-half inch scale of the boat we are building. If you will turn to page 12 of the pamphlet you will see the boat running on the surface in that position, which is the ordinary cruising trim.

On page 15 of the pamphlet you will see her running with her deck submerged, but the conning tower above the surface of the water.

Mr. TAYLER. That is position No. 2?

Captain LAKE. Yes, sir. In that position it is designed to have rapid-firing guns in the conning tower working in water-tight ball-and-socket joints.

In that position she could ward off the attacks of light torpedo boats, and she could carry 1 or 3 pounder guns, which would be sufficient to put surface torpedo boats out of commission and at the same time only present an armored target of 5 feet square.

The torpedo boat would have but little chance to hit her. When submerged to position No. 3, we admit sufficient water ballast to go from position No. 2 to position No. 3 in three seconds.

So we could be running with the observing tower 5 feet above the surface, where we could get a good all-around view even in considerable sea, and in three seconds we could submerge to position No. 3.

In that position we would present a target of only 20 inches square, and I have found by practical tests that it is impossible to see a target of that size, painted a certain color, at a distance of one-half mile.

We can instantly submerge from that position. We have in the boat what we call an automatic depth regulator—that is, a little apparatus on which it is only necessary to move a clip on a dial and that controls the automatic machinery. We let her under the water and she goes down until she reaches the desired depth and as she goes down these vanes [indicating] will finally find their proper positions, and if she should attempt to sink below the predetermined depth it would be impossible.

Mr. WHEELER. Why?

Captain LAKE. For instance: In running at a depth of 20 feet there is a pressure of nearly 10 pounds to the square inch on our automatic depth regulator; and if she should go 30 feet, that would make the pressure 15 pounds to the square inch on this device, which would automatically cause the vanes to

assume that position [indicating]; and if you get above the plane at which you wished to run, this automatic device would control it again. The hydroplanes oscillate automatically to maintain the desired depth.

Mr. DAYTON. You set that machinery before you start down?

Captain LAKE. Yes, sir.

Mr. TAYLER. The variation of the angle of these hydroplanes is equivalent to increasing the area or diminishing the area of the hydroplane, and so you could accomplish the same results if you had a larger hydroplane that projected from the side of the vessel at a lesser angle?

Captain LAKE. At a lesser angle the larger hydroplane would be as effective as a small hydroplane at a greater angle.

Mr. TAYLER. You maintain your position by the buoyancy furnished by these hydroplanes?

Captain LAKE. No, sir; by the buoyancy of the boat, the hydroplanes working in opposition to the buoyancy of the boat.

Mr. TAYLER. Now, suppose you wanted to repose at a depth of 15 feet below the surface, you might have a hydroplane of an arbitrary size which would keep it at that point?

Captain LAKE. At a certain spot?

Mr. TAYLER. Yes, sir.

Captain LAKE. No; I do not think that would be possible, because of the currents and of the effect of the wave motion, and all that. The idea is this:

This [indicating] represents a hydroplane. One of the hydroplanes sets in this position [indicating], and when we attempt to submerge, this hydroplane, coming in contact with the water, forces the boat down, you see, and the variation of the angle of the hydroplane controls that depth.

Mr. WATSON. You have two hydroplanes on each side?

Captain LAKE. Yes, sir.

Mr. WATSON. Then there are four hydroplanes?

Captain LAKE. Yes, sir.

Mr. WATSON. Are they so delicately constructed as to respond very quickly to the increased pressure?

Captain LAKE. Yes, sir. The machinery is very strong, and yet the controlling mechanism is very sensitive.

Mr. DAYTON. Is that machinery so delicate as to be likely to get out of repair?

Captain LAKE. No, sir. It simply consists of a cylinder open to the sea; there is a pipe leading to the sea at one end. Now, the pressure of the water operates on one end of that piston, you see [indicating], then we have a spring set opposite that. Now, we have the spring working in opposition to the pressure of the water, and those two opposing mediums are what controls the operation.

Mr. DAYTON. Is that a steel spring?

Captain LAKE. Yes, sir; it is a heavy steel spring.

Mr. DAYTON. Is your tube exposed to outside substances in the sea; is it exposed so as to be liable to get clogged up?

Captain LAKE. No; it is simply open to the sea, and it has a perforated strainer, so it is not likely to get clogged up.

Mr. DAYTON. And fish can not swim into it?

Captain LAKE. No, sir.

Mr. TAYLER. There is no suction; it is merely pressure?

Captain LAKE. Yes, sir.

Mr. WATSON. What is the size of those hydroplanes in the boat?

Captain LAKE. Ten feet long and 14 inches in width.

Mr. DAYTON. You have the fins, but not the tail?

Captain LAKE. We have the tail also.

Mr. WATSON. What are the hydroplanes made of?

Captain LAKE. They are made of steel.

Mr. WATSON. Why are they made that size?

Captain LAKE. So as to give a sufficient down pull to submerge the boat at a moderate speed. I want to say right here that this is not the method which we usually recommend, as I will explain later.

I do not think there are more than one or two localities on the Atlantic coast where we would want to use this method. We have a much simpler means.

This depends on the mechanism, and if the mechanism should fail the boat would come to the surface.

The CHAIRMAN. That principle is practically the same as in the other boats, only their rudder is in the stern while yours is in the side?

Captain LAKE. We submerge on a level keel.

The CHAIRMAN. You have another method of submerging?

Captain LAKE. Yes, sir. We have another method of submerging, as you will see by referring to page 24 of the pamphlet. You will notice the boat there on the surface has suspended from the bow and stern two weights partly lowered, in black, and then the boat is dotted in lower down. In deep water we prefer to submerge by the means I am now going to describe.

As I said, the law of gravitation holds equally true under the surface of the water as it does above.

If we should attempt to sink, by destroying the buoyancy, to a depth of 100 feet on a hard, sandy bottom, the boat would possibly strike the bottom as the French boat did, with sufficient force to injure some of the machinery or the hull.

In that case we prefer first to lower the two heavy weights. Each of these weigh 1,000 pounds.

Then we reduce our buoyancy to 1,000 pounds; we do not have to get down to the fine points at all.

Then, as we have 2,000 pounds on the bottom and have a buoyancy of only 1,000 pounds, we can start our winding mechanism and haul the boat down to the bottom, the weights acting as anchors, until we reach the bottom and she comes to rest on these wheels [indicating]. These wheels are arranged so that in surface cruising we can house them just like a centerboard.

When we come to rest on these wheels [indicating], she is then resting on the bottom with a weight of 1,000 pounds, the difference between the buoyancy and the two 1,000-pound weights, and she becomes practically a submarine automobile.

Mr. WATSON. You still have the 2,000 pounds in the boat?

Captain LAKE. Yes, sir; but we are only resting on the bottom with 1,000 pounds, because we had a reserve buoyancy of 1,000 pounds. We can increase or decrease this weight by letting in or pumping out water.

Mr. WATSON. And when you start to go down you let the weights rest on the bottom?

Captain LAKE. Yes, sir.

Mr. WATSON. How are the weights let down?

Captain LAKE. By a wire rope.

Mr. WATSON. How long is that rope?

Captain LAKE. About 150 feet.

Mr. RIXEY. Why do you want to go to the bottom?

Captain LAKE. That is the beauty of the entire system. When traveling on the bottom, as I said, she becomes practically a submarine automobile, and all the delicate mechanism, all the mystery of submarine boats, disappears.

Mr. TAYLER. She becomes an object of light weight?

Captain LAKE. Varying from 5 pounds to as much as 2 tons, if you wish. We have been cruising over a bottom so soft that when we sent the divers out they would sink up to their waists in mud, and yet the boats with these wheels [indicating] 6 feet in diameter on the *Argonaut* only sank into the mud about 6 inches. This is because she rests so lightly on her wheels.

Now, we have our guiding medium (that is the object of it), and the weight on that guiding medium may be 5 pounds, or several hundred pounds, or a couple of tons; but the point is, we have the guiding medium and we are not attempting to fly. That is the difference between the two types. A boat that goes between the surface and the bottom is practically a submarine flying machine. They have no guiding plane.

This guiding medium is well designed for our purposes, as I will show you by the Government chart which we have here. In that position [indicating] there are numerous advantages. When we stop our machinery we come to rest at once. If we wish to steer a particular course we can run that course more accurately than a surface boat in a fog or on the surface in rough weather, because of the fact that we are traveling over a medium that does not constantly change like the surface water.

There the sea throws and the wind blows her out of her course. We do not have these difficulties at the bottom. It is quiet there, and the bottom does not change. We tried this during the Spanish war at Hampton Roads. We headed toward Cape Henry, and I guess that day we must have traveled as much as 10 miles on the bottom, and we took ranges—I do not know whether you are familiar with that term or not—and in that distance we came up possibly three or four times, and we were right directly on our "range" all the time.

Mr. BULL. What speed do you make on the bottom?

Captain LAKE. We never ran the submarine boat *Argonaut* for speed. She was designed for an entirely different purpose. She is a low-speed boat of

about 5 miles on the surface. She has only 40 horsepower, and is not designed for speed; but those that have seen her submerged say she can go faster under water than she can on the surface, and I am inclined to think this is true, because the captain of the tugboat *Annie* said she went about twice as fast on the bottom.

Mr. BULL. What would be the result if you met some obstacle—a wreck?

Captain LAKE. She is designed with a bow which will ride over any obstruction 15 feet high.

Then she has what we call a collision bowsprit, which is a yielding hydraulic bowsprit, and in case we should run against an obstruction like a wreck, that bowsprit would stop her before she did any great injury, and the boat would remain intact. I do not think there is much chance of hitting a wreck.

The CHAIRMAN. What is the greatest depth to which this boat has been submerged?

Captain LAKE. Forty-two feet.

The CHAIRMAN. Can you go any depth?

Captain LAKE. Yes, sir; within certain limits. The *Argonaut* was built for 100 feet, and I think she would be entirely safe at that depth. The boat we are building at present is designed for a depth of 150 feet.

Mr. BULL. How deep can a diver work?

Captain LAKE. They call 150 feet the limit. Some work has been done in 180 feet. A diver on the Venezuelan coast went to that depth, but was paralyzed as a result of it.

RELATING TO PATENTS.

Mr. MEYER. Is it not claimed by the Holland company that you have infringed somewhat on their patents?

Captain LAKE. Yes, sir. I will state that reference to that is made in this statement here, in which the opinion of our attorney is embodied.

Mr. VOORHEES. We only hope they will push the suits and bring them to a speedy determination.

The CHAIRMAN. What is the nature of the suits against you?

Mr. VOORHEES. For alleged infringement of patents. We have, however, the opinion of Mr. Livingston Gifford, a very eminent patent lawyer of New York, who has looked into the claim made by the Holland company, and he advises us that there is absolutely no question of our freedom from infringing any patents at all owned by the Holland company. I only hope that the Holland people will push their suits to a speedy conclusion.

The CHAIRMAN. How many suits are there?

Mr. VOORHEES. Two suits.

Captain LAKE. And then there is the libel suit.

Mr. VOORHEES. Yes, sir; and that suit was advertised before it was brought. I understand the Government does not want to buy or take an interest in any invention about which there is any doubt, or about which there is likely to be any contention, and so we have had the patents very carefully examined by Mr. Gifford, and from him we learn that every patent we have is a legitimate one and unassailable. As a lawyer who knows nothing about patents, at first I was very much alarmed when I found that the suits had been started, but when I found that the lawyer had advertised the suit before it was begun and was going to try it in the newspapers I understood the situation completely and my alarm disappeared.

The CHAIRMAN. What about the libel suit?

Mr. VOORHEES. That was brought for the purpose of putting an attachment on the boat in Connecticut, thinking that the gentlemen back of the company were men without any money, and that therefore the work would be delayed.

As a matter of fact, the gentlemen were of such character that it was a matter of no trouble to get a surety company to give the necessary bonds for appearance, and in fifteen minutes the boat was released.

Many of the gentlemen of this committee are lawyers; I am also one; and I need not assure them that as such I immediately advised such a course as will, I think, prevent any future attachments from holding the boat.

The building operations are not likely to be stopped again. I do not like to say anything about the Holland boats. They are manufactured in my State and in my home city. The part there made is, in my judgment, the only good part of the boats.

The company agreed under their contract to furnish six boats, the last of which was to be delivered on the 1st of August, 1901. The first has not yet been delivered. So far is performance from promise.

Mr. RIXEY. You spoke about the difficulty of the Holland boat maintaining its position under water, and you say when your boat sinks it goes to the bottom?

Captain LAKE. Yes, sir.

Mr. RIXEY. In a depth of 50 feet, can you maintain it at 15 or 20 feet?

Captain LAKE. Yes, sir; by the use of the hydroplanes.

Mr. RIXEY. And you can travel at that distance?

Captain LAKE. Yes, sir; but we prefer to go to the bottom, because there is no machinery that can get out of order that would injure her.

Mr. DAYTON. Are you absolutely sure that by traveling on the bottom you have as much stability, or more, than the Holland boat?

Captain LAKE. Oh, yes.

Mr. DAYTON. Have you more by reason of these fins?

Captain LAKE. The position depends upon the difference between the position of the centers of gravity and buoyancy entirely, and not on the rudder or planes.

Mr. TAYLER. Suppose the Holland boat should change the center of gravity and buoyancy, would that assist them any?

Captain LAKE. Then they would need to change their method of submerging, which would be contrary to the theory on which the boat is designed to operate. They would need to revise their system.

Mr. TAYLER. That is necessary in order to make the boat submerge?

Captain LAKE. Yes, sir; to make the boat lively enough so as to respond to that horizontal or diving rudder. By referring to this comparison, you will see the difference between the two types.

Our length over all is 65 feet, and theirs is 63 feet 4 inches, practically the same; our breadth of beam is 11 feet, and their is 11 feet 6 inches; our displacement afloat is 115 tons, and theirs is 105 tons; our surface buoyancy is 55 tons, and theirs 15 tons, which is a great advantage in making cruises at sea. You will understand that a submarine boat will do a great deal more surface cruising than submarine cruising.

The probabilities are that every submarine boat will run 99 miles on the surface to 1 mile submerged.

Our engine horsepower is 250, which we estimate will give us a speed of 10 knots on the surface, and that I had confirmed by a very eminent authority here in Washington.

Now, we have four means of coming to the surface—discharging water ballast, which is usual in all boats, by either compressed air, power or hand pumps; by the hydroplanes when under way; by lowering the anchor weights, and by releasing the drop keel. Here is another feature of the boat which is an important one for cruising at sea.

Right here [indicating] below the center of buoyancy we have what is called a drop keel.

That is like a safety valve to a boiler.

Mr. EARLY. I am here at any time; I would like to be heard by the committee to-morrow morning.

The CHAIRMAN. If Mr. Early has anything further to offer in addition to what was said this afternoon——

Mr. EARLY. I am half of the great number of newspaper men referred to before this committee.

The CHAIRMAN. The committee, as the Chair stated, will be in recess until 11 o'clock to-morrow morning, when the committee will be glad to hear Mr. Spear, Mr. Early, and such other witnesses as offer themselves. The committee then will take a recess until Thursday morning, when the committee will listen to Mr. McNeir's decision on the request of the committee to comply with the subpœna duces tecum. Other witnesses, for whom subpœnas duces tecum have been issued, will be expected to appear a week from to-day at 10 o'clock. The committee stands in recess until 11 o'clock to-morrow morning.

(Thereupon the committee adjourned until 11 o'clock Tuesday, March 17, 1908.)

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE, UNDER RESOLUTION 288,
Tuesday, March 17, 1908.

The committee met at 11 o'clock a. m., Hon. H. S. Boutell (chairman) in the chair.

All members of the committee were present.

The CHAIRMAN. The committee will be in order. The clerk will read the following letter, received by the chairman this morning.

The clerk read the letter as follows:

WASHINGTON, D. C., *March 16, 1908.*

Hon. HENRY S. BOUTELL,
Chairman of Special Committee.

SIR:—I understand that your committee had adjourned until Thursday when you intend to call as witnesses certain officials of the Navy Department and that after the taking of testimony will go over until next week. As I have been here some time, I am returning to Detroit and will be prepared to attend before your committee any day after Monday next upon receiving telegraphic notice to that effect. My address will be Detroit, Mich., in care of Hotel Ste. Claire.

Respectfully, yours, WM. D. GORDON.

The CHAIRMAN. Mr. Gordon will be summoned to appear sometime next week. The clerk will read the copies of the following letters which were delivered by messenger to the Secretary of the Navy.

The clerk read as follows:

WASHINGTON, D. C., *March 16, 1908.*

Hon. VICTOR H. METCALF,
Secretary of the Navy,
Washington, D. C.

DEAR SIR: By direction of the select committee of the House of Representatives appointed under H. Res. 288, I request you to appear before said committee next Thursday, March 19, at 10 o'clock a. m., at Room 483, House Office Building, and bring with you, for submission to the committee, contracts made by the Department with the Electric Boat Company of New Jersey and the Lake Torpedo Boat Company for the construction of submarine boats, together with all correspondence and memoranda in the possession of the Department relating to or bearing, directly or indirectly, upon these contracts or the making of them.

I am further directed by the committee to call your attention to a statement made by Representative Lilley in his evidence before said committee contained in the paragraph which I have indicated on page 22 of the hearing before the committee, which I inclose herewith.

Will you also request such expert officials and constructors of the Navy Department as are referred to by Representative Lilley to appear also and testify at the hearing next Thursday?

Respectfully, H. S. BOUTELL,
Chairman Select Committee.

WASHINGTON, D. C., *March 17, 1908.*

Hon. VICTOR H. METCALF,
Secretary of the Navy,
Washington, D. C.

DEAR SIR: The select committee appointed under H. Res. No. 288 desires to have sent to their room, No. 483 House Office Building, as soon as possible, the following:

Copies of all reports of the Secretary of the Navy from and including 1905 to the present time.

Copies of all printed matter from any of the bureaus of the Navy Department which in any manner relates or refers to submarine boats, their construction, tests, contracts for them, legal opinions relating thereto, etc.

Respectfully,

H. S. BOUTELL,
Chairman Select Committee.

TESTIMONY OF MR. LAWRENCE SPEAR.

Mr. LAWRENCE SPEAR, being first duly sworn, on being examined, testified as follows:

The CHAIRMAN. I will ask Mr. Olmsted to examine Mr. Spear.

By Mr. OLMSTED:

Q. Where do you reside, Mr. Spear?—A. Milton, Mass.

Q. How long have you resided there?—A. About three years.

Q. Where did you reside prior to that time?—A. In New York City and previous to that in New Suffolk, Long Island.

Q. How long had you resided in New York City?—A. I resided in New York City for something less than a year at that period.

Q. Prior to that.—A. At New Suffolk, Long Island.

Q. How long did you reside there?—A. Two years.

Q. And prior to that where were you?—A. New York City, for about two years and a half.

Q. What is your present occupation or employment?—A. I am the technical head of the Electric Boat Company, in charge of designing, construction, operation, and trials on all of the submarine boats. I am in charge of all the technical work, in charge of the designing, construction, and operation of all submarine boats of this company.

Q. Have you any official title in the company?—A. Yes, I have.

Q. What is it?—A. I am one of the vice-presidents of the company, naval architect I believe is my official title.

Q. You are first or second vice-president?—A. I don't know that there are any numbers assigned to them, sir.

Q. How many vice-presidents are there?—A. I think there are three.

Q. You are vice-president and naval constructor?—A. Yes, sir.

Q. How long have you held that position?—A. I have been naval constructor for this company since 1902, and I became a vice-president some three or four years ago, because it was necessary to have an officer of the company at the works, because there are certain documents in connection with the contracts of the Navy Department which must be signed by an officer of the company, it can not be signed by an employee. It was therefore necessary to have a resident officer at the works in Quincy.

Q. What date in 1902 did you become naval constructor?—A. I think it was July 1, sir. I resigned from the Navy June 1, as I remember it—no, my resignation took place July 1, and my connection with this company began the following day.

Q. Prior to July 1, 1902, what employment, if any, have you had under or for the Electric Boat Company?—A. None of any nature, sort, or description. Prior to that time I had spent my life, from the time I was 16 years old, in the Navy as a naval constructor.

Q. In what way and when did you enter the Navy?—A. I entered the Naval Academy at Annapolis in 1886, sir. I was appointed there from Ohio by Judge Taylor, who was then chairman of the Judiciary Committee of this House. I graduated from there in 1890; then I went to sea for about a year; then I was selected for the construction corps and ordered abroad to take a special course in naval architecture. I returned from abroad in 1893 and went on duty in the Bureau of Construction and Repair, in connection with the design of ships then being designed there.

Q. 1903?—A. 1893. From there I was ordered to the iron works at San Francisco to assist in superintending the construction of the *Oregon* and *Olympia;* from there to the Mare Island Navy-Yard, where I remained about a year, where I was assistant to the naval constructor. From there I went to Seattle to take charge of the construction of the torpedo *Roman*, and while there I had also, in addition, the duties of naval constructor at the navy-yard at Puget Sound. I remained there until the fall of 1898, after the close of the war with Spain. I then was ordered to Washington, where I remained a very short time, and at that time took my examination and was promoted to the full grade of naval constructor, and then I was ordered to Annapolis to relieve Mr. Hobson as the officer in charge of the school of naval architecture, the post-graduate school at the Naval Academy. That duty lasted one year and terminated because Congress that year passed the personnel bill, which removed any necessity for such a school at Annapolis. Then I was ordered again to the Bureau of Construction, where I remained perhaps four or five months. I was then ordered to New York City to superintend the construction of vessels building at the Crescent shipyard and at the works of Chas. L. Seabury. Those vessels were the monitor *Florida*, cruiser *Chattanooga*, and quite a number of torpedo vessels, and subsequent to my being ordered there, after I had assumed my duty, the submarines that the Government contracted for—five of them—were ordered to be built at the Crescent shipyard, so that I supervised the construction of those vessels for the Government, and it was due to that occupation that I became interested in that particular branch of naval construction. Along about that time—at the time I resigned—it became necessary for me to place myself in a position where I could increase my income for family reasons. That became known among my friends and among the people I was connected with in ship building, and I entertained several offers from ship-building concerns, among them one from this company. I selected this company because I considered they had greater need of a competent officer of my training and experience and who understood, perhaps, the military value of it—the military features—better than an engineer of purely civil training, and I believed it had a very

great future, and was a very valuable weapon, and I could very properly connect myself with it, and I did.

Q. In what way was the overture made to you to go into the employ of this company?—A. That I do not remember, sir. If you will specify exactly what you want to bring out I may be able to answer.

Q. Did you apply to the company, or did the company apply to you?—A. I can not recall that, sir; I do not remember. I think it came about in this way, that somebody in the company, Mr. Frost, I think, and Mr. Nixon and I were talking one day and Mr. Nixon said something about the fact that I was intending to resign and that he was trying to make an arrangement with me, and I think that is what brought it about. Mr. Nixon's arrangement had nothing to do with the submarine boats, understand; it was in connection with a proposed company which they were going to form, which they did afterwards form with disastrous results, I believe.

Q. Was your resignation intended in any event, or was your resignation caused by the offer from the company?—A. The two things were simultaneous. The arrangement with the company did not require more than a week to consummate, and I immediately resigned, advised the chief of my Bureau what my plans were, and I requested some two months' leave, I think, which at first was granted and I went off on leave—I had been married about that time and went off on a honeymoon, and as soon as my back was turned they revoked one-half my leave. I did not get the rest of it.

Q. What was the nature of the agreement or contract made between you and the Electric Boat Company at that time?—A. It had a five year term. I was employed at that time as general manager and naval architect on a yearly salary, and with a stock bonus.

Q. That is, your employment was on July 1, 1902, and you then became general manager and naval architect?—A. And naval architect, at a yearly salary and a stock bonus.

Q. Was the agreement in writing?—A. Yes, sir.

Q. Have you the original?—A. I have a copy of it at my home, yes, sir.

Q. Have you any objection to letting us have it?—A. Not in the slightest.

Q. You do not have it with you?—A. No, sir; I have not.

Q. Will you mail it to the chairman?—A. I will, sir.

Q. That was your very first employment?—A. Absolutely my first employment.

Q. And was the first compensation you received from this company, was that provided in that contract?—A. Certainly, sir.

Q. And that lasted for five years?—A. That lasted for five years.

Q. That would be until 1907?—A. Yes, sir.

Q. Then what occurred?—A. The contract was then renewed for a period of five years, the substance of the new contract being practically the same except that a change was made in compensation.

Q. The duties remained the same?—A. The duties remained exactly the same.

Q. There was no change except an extension of the term and a change in compensation?—A. None whatever.

Q. Do you recall the name of the first person who spoke to you with reference to your employment by this company?—A. The

first person who spoke to me who was connected with the company was Mr. Frost.

Q. Do you know when that was?—A. I should say that it was May or June, May I should think, 1902. Those dates I could easily locate for you, because I think I could find my letter of resignation, at any rate it is on file at the Navy Department, and that took place as soon as these negotiations were completed.

Q. You state the first person connected with the company was Mr. Frost; did any person not connected with the company speak to you about it?—A. Not that I remember; I may have discussed the matter with somebody else when I was in this condition that I had made up my mind to resign, and entertained offers.

Q. At the time you contemplated resigning?—A. I remember talking the matter over at that time, a little earlier perhaps, with Admiral Bowles.

Q. With reference to securing employment with this company?—A. No; I advised him what I was contemplating, and my recollection is that he expressed a regret. At that time he did not believe very much in submarine boats, and he thought I was making a very great mistake. He did not endeavor, as I remember, to change my mind, but he expressed his regret.

Q. You say you were contemplating it at that time, yet no one had spoken to you about it?—A. I think not, sir. I don't think anybody on their part urged me to do it.

Q. The thought originated in your mind, that you would apply to the company?—A. Yes, sir; that would be a correct statement. I think if they had not approached me I, quite likely, would have approached them.

Q. Then, did Mr. Frost first approach you on this subject, or did you first apply to him?—A. My recollection is that he never applied to me. He knew that at that time I was contemplating resigning, and I knew at that time that they were in the field looking for somebody, who had the necessary technical knowledge and information.

Q. In that interview between yourself and Mr. Frost, that first interview, or any subsequent interview, was there anything said or any provision made or any reference made to any employment by you for any purpose not specified in the written contract to which you have testified?—A. Not in the slightest way, sir, and there never has been subsequently.

Q. From that time until this?—A. From that time until this.

Q. When was it that you had the talk with Admiral Bowles?—A. That must have been during this period. What I spoke of took place in a comparatively short period. I could not locate it beyond saying it must have been April or May of that year.

Q. Within two or three months prior to the first of May, 1902?—A. Yes, sir, I believe now, Mr. Olmstead, since we have talked about it, my memory is a little clearer. My impression now is that my resignation was made in May, that the letter went in in May, and the resignation was to take effect on the 1st of August, and I was to be given leave from the 1st of June, and that as a matter of fact the Department subsequently revoked half of that leave and the resignation took effect on July 1.

Q. Then these conversations to which you have referred with Mr. Frost and Admiral Bowles occurred prior to your sending in your

resignation?—A. Yes, sir; it must have been April or May, I should say. I am not certain that I did not have some correspondence with Admiral Bowles. It may have been correspondence rather than conversation.

Q. Might not this interview with Mr. Frost have been in March, then?—A. I think not, sir, I don't think it was earlier than April; sometime in April or May. My recollection is that after the conversation with Mr. Frost that the whole matter was, so far as we were concerned, closed up within a day or two; that is, we agreed upon terms within three or four days.

Q. Excuse my asking, but we want to get everything we can—whether there was anything Mr. Frost asked you to do for his company between his conversation with you and the taking effect of the written contract of which you have spoken?—A. Nothing at all, sir. As a matter of fact, I did not report for duty with the company until I should say a couple of weeks, two or three weeks, after my resignation had taken effect, and after my employment with them had begun.

Q. And that employment dated from?—A. From July 1.

Q. 1902? Now Mr. Spear, you mentioned a moment ago the name of Mr. Hobson?—A. Yes sir.

Q. What Hobson was that?—A. R. P. Hobson, formerly naval constructor of the Navy, and now a Member of Congress.

Q. A Member of Congress from Alabama?—A. Yes sir.

Q. How long have you known Mr. Hobson?—A. Thirty-two years.

Q. When did you first meet him?—A. Met him at the Naval Academy at Annapolis.

Q. Were you there together?—A. We were there together, yes sir; subsequently we were abroad together, studied naval architecture but not at the same place. Mr. Hobson was at Paris, I was at Glasgow, but we used to see each other occasionally, and upon our return here Mr. Hobson's duties held him in the East all the time, mine were partially in the East and partially in the West. We were not connected in any duty again until the Naval Academy postgraduate course was established and in that connection we were together for a short time.

Q. When was that?—A. My connection with it began in the fall of 1898. Mr. Hobson began in the fall of 1907.

Q. I thought you said you were together.—A. It occurred in this way, sir. Mr. Hobson was absent in Cuba raising ships, or something, and I was ordered to take charge of the school, as I understood it, and Mr. Hobson's understanding was that he was still in charge of the school and that I was temporarily filling his duties, so that when he returned from Cuba he came down from Annapolis to go over the ground and confer with me and so on. That resulted in a very short time after that in Mr. Hobson's detachment from that duty and he was ordered to some other duty, while I continued in the duty until the position expired by limitation. The school was abolished the following spring and the commission expired by limitation. I would just like to complete that account, if I am permitted to. When my resignation took effect and I left the position which I then held in New York my recollection is that my assistant was ill with typhoid fever, so that there was nobody attending to it, and I

think Mr. Hobson was ordered to that duty, to relieve me. He did not report until after I had left the office, but he relieved me there. That was prior to his resignation from the Navy and the next time I believe was in San Francisco, where I was conducting trials of submarine boats, and Mr. Hobson, as I remember it, was delivering lectures on the Navy, or the needs of the Navy, or something of that sort, and I think that is the first time I had ever discussed the subject of submarines with Mr. Hobson in any way or form; but we did discuss it there at that time, Palace Hotel, San Francisco.

Q. What did Mr. Hobson say about them at that time?—A. He was very much interested, I thought, at that time—very much; and he thought they had great military value and great possibility of improvement. He seemed to include them in his general programme for vessels for the Navy; thought they were very valuable for their special purpose.

Q. That they were very valuable adjuncts of the Navy?—A. That they were valuable adjuncts of the Navy, yes, sir.

Q. Did he seem to favor any particular plan of boat?—A. No, we did not discuss that part of it at all, sir. He, of course, expressed his pleasure in seeing that these boats with which I was connected were at that time making such good records. Every morning the paper would have some account of what had been done the day before, it being the first time the boats had ever been on the Pacific coast. The boats were every day breaking the preceding records of the boats, and were making a very good record for the boats. I should add that at that time there were no others, as far as I know, in America—no other competing boats. There was no other boat with which to compare it at that stage of the game. That is my recollection of it.

Q. Then, Mr. Spear, if we understand you correctly, for the past twenty-two years you have known Mr. Hobson and have been more or less intimately associated with him—meeting him in various parts of this country and other parts of the world?—A. Yes, sir; that is true.

Q. What have your relations been?—A. Always very cordial, such as those that naturally exist between two officers of the same corps, never had any personal disagreements or anything of that sort, always been very friendly and cordial, so far as I am concerned, at any rate.

Q. When did you last have a conversation with Mr. Hobson?—A. The last conversation I had with Mr. Hobson was, I should think, about a month ago, perhaps more than a month, a month or six weeks ago.

Q. Where was that?—A. Some place in the Capitol.

Q. In what part of the Capitol?—A. I met him in the Rotunda at the telephone booths, I am not very familiar with the Capitol. We walked off a little to the left and sat down there in one of the public halls of the Capitol.

Q. What was the subject of your conversation at that time?—A. Well, we discussed a number of things. I went to see Mr. Hobson about a matter which I thought would interest him, and we disposed of that.

Q. What was that?—A. I have no objection, sir, but I think perhaps it would better come from Mr. Hobson; but if you desire I shall tell you with pleasure.

Q. I think you had better give it to us.—A. I went to see him to advise him that a person had come to an officer in the company and had stated that he had been talking with Mr. Hobson, urging Mr. Hobson to favor legislation for a large number of submarine boats, and that this person had said to this officer of my company that Mr. Hobson had said he would like to meet that officer, and further that this person was alleging to have great influence over Mr. Hobson, political influence, that he had helped him politically and that sort of thing. Now, the man who said that he had had this conversation with Mr. Hobson had absolutely no authority from anybody connected with this company to have such a conversation, and the officer of this company knew that I knew Mr. Hobson personally. He considered that that was a matter that reflected on him to have unauthorized persons, that Mr. Hobson might feel that this person was secretly authorized, consequently he asked me to go to Mr. Hobson and explain to him that the man had no communication with him at all and to tell Mr. Hobson exactly what the man had said about Mr. Hobson. In other words, in the nature of a friendly warning. We did not consider the matter very important, but we did consider that we knew damage had been done before by people in Washington, unauthorized people, urging such claim. That is what I went to see Mr. Hobson about.

Q. What did this man say—that he had politically assisted Mr. Hobson?—A. Yes; he claimed he had politically assisted him, or would politically assist him.

Q. To whom had he made that claim?—A. He came to an officer of my company, in front of a witness, and made that statement, that he had done this, that he had politically, or would politically, assist Mr. Hobson in some way. I think he claimed that he had connection with some post-office which some relative of Mr. Hobson holds, and that he proposed to support Mr. Hobson in his campaign for the Senate when he got ready to run for it, or something of that sort.

Q. He made that representation to an officer of your company?—A. He did, sir.

Q. To what officer did he make that representation?—A. He made it to two officers—Mr. E. B. Frost and the president of the company, Mr. Rice.

Q. Who was the person?—A. His name, I think, was Lynch.

Q. Do you know his full name?—A. I do not know his full name; no, sir.

Q. Do you know where he resides?—A. I do not, sir. I think he resides in Washington. I think he is a newspaper correspondent; I don't know of my own knowledge that he is: I always understood so.

Q. Do you know of what paper?—A. I don't know that; no.

Q. Was he seeking to obtain some compensation or recognition of any kind from the company in consideration of moving Mr. Hobson? A. I do not think he asked for any: I do not know what he was seeking. I did not hear this conversation with Mr. Lynch at all, and I do not understand that he asked for any compensation of any kind.

Q. Well, now, what officer of the company told you about it?—A. Mr. Frost.

Q. What did he tell you about it?—A. He told me just what I have told you; that he had met this man in the lobby of the hotel where he was staying. He at the time was with Mr. Rice.

Q. Did he say what hotel?—A. He said the New Willard.

Q. In Washington?—A. In Washington. The man came up to him.

Q. A man whom he knew?—A. I think so; yes, sir; as far as that is concerned, I knew him myself—a nodding acquaintance with him.

Q .Is he in the room at this time?—A. I don't know, sir; I saw him this morning. (Looking around the room.) I think not. I saw him, however, as I came up this morning.

Q. What further did Mr. Frost say about the interview with the man?—A. He asked if he did not realize that that sort of thing was improper and injurious to him—if he did not realize he had no authority from him to do anything of that kind.

Q. Mr. Frost said that to Mr. Lynch?—A. Yes, sir; and the man admitted, of course, he had no authority, but he said he thought it was a friendly thing, and he would do it. Then my recollection is that Mr. Frost laid injunctions on him not to do that sort of thing; he had no authority to do it, and far from doing Mr. Frost good it would do him harm.

Q. Mr. Frost then repudiated the action of his man in speaking to Mr. Hobson?—A. He did that, sir.

Q. What did Mr. Frost tell you to say?—A. Mr. Frost told me of the occurrence, substantially as I have related it to you. He said: "Now, you know Mr. Hobson; he has known you for many years; and I think you ought to go and tell him, and that this man had no authority to come from us, and that you also ought to tell him what the man said with regard to his standing with you or his alleged influence with you, or whatever it is."

Q. Did he claim to be a friend of Mr. Hobson's?—A. Oh, yes.

Q. He did not claim to come from Mr. Hobson?—A. Oh no, he did not claim to come from Mr. Hobson. What he said was that he had seen Mr. Hobson voluntarily; he did not say he had seen him specifically on that subject, as far as I know, but that he had seen him, talked with him, and urged him to do this.

Q. Urged him to do what?—A. Urged him to support legislation in favor of a large number of submarines, or something of that kind, or favoring submarines.

Q. And Mr. Frost repudiated it?—A. And Mr. Frost repudiated it.

Q. You found, whatever he had done, it was absolutely unauthorized?—A. Absolutely.

Q. And you so said to Mr. Hobson?—A. I so stated to Mr. Hobson. Now, Mr. Hobson said that he had no particular recollection of this man having made such a statement to him. He said that he possibly may have talked to him, he did not know. When I came to see Mr. Hobson it just happened Mr. Lynch was talking to him at the time, so I had to wait till Mr. Lynch got through before I saw Mr. Hobson. Mr. Hobson said he had no specific recollection that this man urged anything special about the matter. He may have talked with him about it as he talked about anything else connected with the Navy. After that I told Mr. Hobson that absolutely nobody

was authorized to urge any claim for consideration of this company except an officer of the company and somebody armed with a letter signed by this company.

Q. What comment did Mr. Hobson make upon the matter?—A. Upon this matter?

Q. Yes.—A. He made very little comment, saying that he knew the man very slightly. He did not remember having an interview specially on the subject with him.

Q. Did not say how long he knew the man, whether he was a friend of his?—A. No; he did not go into it very deeply. He said he knew him.

Q. What did he say about his claim to his political influence?—A. He did not confide that to me.

Q. Did he express surprise?—A. I do not remember that he said anything special about it. He was rather silent about it. I do remember this, not very accurately, that he had said that this gentleman claimed he was writing articles in Mr. Hobson's favor. I think Mr. Hobson said he had yet to see the articles, something of that kind, he had not yet seen them.

Q. Have you stated all that occurred at that interview on that point concerning Mr. Lynch?—A. That is all that occurred on that point; yes, sir.

Q. Now, then, you were about to say, when I interrupted you some time ago, after that you discussed something else?—A. Yes, sir; that after that the general naval bill. This was before the bill had been agreed upon in committee, and I asked Mr. Hobson what the chances were for getting a large bill through for more battleships; asked him if they were going to get the battle ships. He said he did not know, he hoped so. I said I hoped so, too. The next point Mr. Hobson asked me a question about was subsurface boat—what I thought of it. He discussed them technically for a few moments. Then Mr. Hobson asked me how many submarines the Secretary of the Navy had recommended. I said four. He said that is not half enough. I said that would be my view of it, too, and that closed the conversation. That is all there was said on that subject.

Q. When did that occur?—A. That occurred—I can not locate the date exactly—I should say a month or six weeks ago. It occurred, at any rate, before the Naval Committee had agreed upon the naval appropriation bill for this year.

Q. You have stated all that occurred in that interview?—A. Everything that occurred, sir.

Q. What is a subsurface boat, is that a submarine?—A. No sir, that is not a submarine. It is a vessel which has two hulls connected in the center of the length by a vertical web, the lower hull is supposed to contain the torpedo tubes, propelling the machinery, and the upper is simply there to support it.

Q. What was said about those boats?—A. Mr. Hobson asked me what I thought about it and we discussed it technically for a minute or two. That is all; there was nothing specially said about it.

Q. Did your company make such boats?—A. No sir.

Q. Does it contract for such boats?—A. No sir. It has nothing to do with it.

Q. Now, what was the next immediately preceding interview or conversation that you had with Mr. Hobson?—A. It was a telephone investigation.

Q. When was this?—A. That, I think, was in November, sir.

Q. November, 1907?—A. Last November, yes sir.

Q. Where did that occur?—A. That occurred in Washington.

Q. Can you remember the date exactly?—A. I can not.

Q. Is it ascertainable?—A. Well, I don't believe so.

Q. Were you stopping at a hotel?—A. At the New Willard, yes sir.

Q. Had you been there for a considerable time?—A. I think I had been there two weeks, sir. I was in Washington arranging the details of contracts with the Navy Department, as that matter was up, and I was here arranging the details of those contracts.

Q. You stayed here at that time?—A. Stayed here at that time.

Q. At whose suggestion?—A. Came here at my own suggestion; that is my duty, sir.

Q. As vice-president of the company you suggested that duty to yourself?—A. Yes, sir.

Q. How long had you been here before you met Mr. Hobson?—A. I did not meet him at all on that trip, sir, only had this telephone conversation with him.

Q. Did you seek an interview?—A. I wrote him a note, yes, sir. My recollection is that he did not answer that note. I think his secretary called me up and said he was quite ill—ill in bed—could not see me. I expressed my regrets and said I did not know how long I would be here and if he got well before I left I would like to see him. That is the way the telephone conversation came about.

Q. Did you say in that letter what you wanted to see him about?—A. I do not remember the terms of the letter; I said I wanted to see him about a matter that interested both of us, something of that sort.

Q. A matter of mutual interest?—A. I may have used that term, sir. I could not say, because I kept no copy of the letter. It was written in longhand at the hotel desk, an ordinary personal note.

Q. Then the secretary telephoned that he was ill and you could not see him?—A. Yes, sir.

Q. Then what else occurred between you and Mr. Hobson?—A. My recollection is that three or four days later I called up his secretary and asked him how Mr. Hobson was, how his health was, and he said that he was still feeling wretched, was not out. I said I regretted that, personally I regretted it and in the second place I expected to be leaving town in a day or so so that would keep me from calling on him and seeing him, and my recollection is his secretary called upon me at the Willard Hotel. I think that call was the result of this telephone conversation with his secretary.

Q. Mr. Hobson's secretary called upon you?—A. Mr. Hobson's secretary called upon me.

Q. What did he say?—A. He came in and wanted to know if there was anything he could do to facilitate any business I might have with Mr. Hobson, and we had a conversation lasting perhaps ten or fifteen minutes.

Q. Give us the subject of that conversation, as near as you can.—A. I told him I had no special business with Mr. Hobson, and I

told the secretary briefly who I was, and which I suppose he knew from Mr. Hobson. I told him one particular naval subject in which I was specially interested, and it was about that that I wanted to see Mr. Hobson, and that if Mr. Hobson was to be appointed to the Naval Committee then my desire to see him and to post him on the latest developments in this thing would of course be greater than it would if he were not; asked him if he knew how Mr. Hobson was getting on with his candidacy. He said he did not, he supposed it was all right, he did not know anything new, something of that sort. I said, "Of course, you understand that if Mr. Hobson has Mr. Williams's recommendation that is all there is to do, as I understand it, that the Speaker always appoints upon the recommendation of the minority leader." I said: "And I suppose he must be all right with Mr. Williams, because they are both from the South and Mr. Hobson has spent his life in the naval affairs, and it seems to me the most natural thing to happen." And I said: "I hope he will." And if there was anything I could do to help him to get on I would be very glad to do it.

Q. What did the secretary say in reply to that suggestion of yours?—A. There was not very much on his part. I talked to him perhaps five or ten minutes, gossipping along, and he said: "I will tell Mr. Hobson you wanted to see him about submarine boats, and I will tell him the substance of this conversation, and then when he gets well he will be very glad to see you, as he has already said."

Q. Did the secretary, Mr. Hobson's secretary, make any suggestion as to how Mr. Williams stood with reference to Mr. Hobson's appointment?—A. None whatever, sir, as I remember it. I think he said he did not know.

Q. Mr. Williams is Representative Williams of Mississippi?—A. Yes, sir.

Q. He having been the Democratic choice for Speaker in this Congress became, by virtue of the fact, what is known as the minority leader?—A. Yes, sir; that is correct.

Q. You understood that the Speaker's custom was to assign the Democratic Members to the committees on the recommendation of the minority leader?—A. Yes, sir; that was my understanding of it.

Q. And you so told the secretary?—A. I so told him, yes, sir; told him that was my understanding of it.

Q. That if he had Mr. Williams's friendship there would be no trouble?—A. Yes, sir.

Q. You have given the full substance of that conversation?—A. I have given everything I remember about it.

Q. Tell us what next thing occurred.—A. The next thing was a telephone conversation between Mr. Hobson and myself.

Q. How did that come about?—A. I think Mr. Hobson called me up.

Q. Where was he, if you know?—A. I presume he was in his room.

Q. Where did he live, where was he stopping?—A. I do not know.

Q. You never called on him at his room?—A. No, sir. I knew at the time where he lived, because I looked it up in the telephone book, but I could not tell you now.

Q. You had not been to his room or his house?—A. I have not, sir.

Q. Where were you when you received this message?—A. In the Willard Hotel.

Q. When you answered the telephone, what did Mr. Hobson say to you?—A. The first thing was, I said: "Hello, who is this?" He said: "Hobson." I said: "I am glad to know that you are better and able to be about and telephone." He said he felt better. I said: "When are you going to get out?" He said he did not know—not for three or four days. Then, to the best of my recollection, Mr. Hobson said: "Spear, it is not necessary for you to bother talking to me about submarine boats, because I have not changed my views, which I have frequently expressed to you, at all, and at the present time there is no necessity for my posting myself up any more about it." I said: "Well, I am glad you haven't changed your views." I said: "How are you getting on with your candidacy for the committee?" And Mr. Hobson said: "I do not know." He said: "I am earnestly striving for it, very anxious to get it, and if I do not get it now I shall apply for the next time, and keep on after it as long as I am in the House." I said: "If there is anything I can do to help you let me know." He said: "There is nothing you can do that I know of, and, moreover, I would not want you to do it." He said: "You are connected with the company that is interested in legislation." He said: "It would prove embarrassing to me if there was anything you could do." I said: "Certainly, I shall be guided by what you said in that. I do not know that I could, but, in the second place, it was purely a personal expression on my part. I do not know the company has any influence. If it has, I can not control it, and they are not making any offer to you." His reference to the fact that I was interested in this company led me to believe that he might think that I was talking about the company's influence, and I took pains to tell him I was not. I merely made a personal remark that if there was anything I could do to help him I would be very glad to do it.

Q. Did you say to him that if he could get Mr. Williams you could do the rest?—A. No, sir.

Q. Nor words to that effect?—A. No, sir; I think his impression about that came from the conversation with his secretary. My recollection of the telephone conversation with Mr. Hobson is that no reference was made to Mr. Williams, or the Speaker, or anybody else; I think he has confused those two conversations.

Q. Was anything said in that conversation by either of you of getting the support of the Alabama delegation for Mr. Hobson's candidacy for the position on the Committee on Naval Affairs?—A. I think not, sir; I have no recollection of it.

Q. Did you hold out to him that you had any influence with anybody that would tend to secure his appointment on the Naval Committee?—A. Not in the slightest, sir; I have not any.

Q. Did the company?—A. Not in the slightest. If the company has I do not know of it. If they had I had no authority to hold it out to anybody.

Q. I will read to you this testimony of Mr. Hobson before this committee: "What did he—meaning Mr. Spear, yourself— what did he say to you over the phone?—A. He said substantially this: That he understood I wanted to get on the Naval Committee and that his company would be able to help me; would have influence to bring that about if I stood right on submarines." What do you say as to the correctness of that statement?—A. My recollection is that nothing

of that sort was said. Nothing of that sort, to my recollection, was said at all.

Q. He had already said to you that he stood now just as he always stood, and there was no occasion for you to bother?—A. That was the first thing he said to me.

Q. How was that, how did he stand? He said to you, as I understand you, that it was not necessary for you to speak to him on the subject of submarines, that he stood just as he stood before, something of that kind.—A. Yes, sir; he had not changed his views; he stood now as he stood before, that he was in favor of a large navy made up of an adequate number of all the different classes of ships of proved value, large ships and the small ships. He stood before in favor of submarines as far as I know; he so expressed himself to me, and so expressed himself in interviews.

Q. For how many submarines?—A. That I do not know, sir.

Q. A large number or a small number?—A. I have not the faintest idea; never asked about that, sir.

Q. He did say, however, to you, if I understood you correctly, that the number ought to be double?—A. He did say that.

Q. What did he state the number ought to be at that time?—A. This is all that took place about submarines in the interview in the Capitol. Mr. Hobson said to me: "Spear, how many submarines does the Secretary recommend this year?" I said: "He recommended four." Mr. Hobson said: "Well, that is not half enough." That was the close of the conversation. It was the last thing he said.

Q. Then, as to the result of that interview with him on the Pacific coast?—A. That convinced me, that result, that he favored a large number of submarines as compared with a small number, and I have seen nothing since that would lead me to think that he had changed his mind.

Q. Then did you or not say to him if he stood right on submarines your company would be able to help him to get on the Naval Committee?—A. I did not, sir.

Q. I read further from the testimony immediately following that which I did read:

> Q. Did he say influence with whom?—A. Yes, sir.
> Q. Whom did he say?—A. I would rather not tell that, sir, unless you insist.
> Q. We would like to have you state, Mr. Hobson.—A. He said Mr. Speaker.

A. No, sir.

Q. What do you say as to that?—A. No reference was made to the Speaker except the reference I have told you about, which, in my recollection, occurred in the interview with his secretary, but I told him, "Of course, I wish you to understand that if you get Mr. Williams's favorable recommendation that is all there is to it, the Speaker always acts on that, as far as I have ever heard."

Q. The only thing you said then to either Mr. Hobson or his secretary about the Speaker was if they secured the recommendation of Mr. Williams in pursuance with the custom of the Speaker he would undoubtedly appoint him?—A. That was it, yes, sir.

Q. But you made neither of these men, nor did your company, any offers of influence or friendship of the Speaker?—A. No, sir. The only that could be construed into an offer of help at all was the offer I quoted to you, "If there is anything I can say to help you I would be very glad to do it."

Q. Was there anything you said you could do?—A. No sir, nothing in my mind. I thought if there was anything Mr. Hobson could suggest that I could do I would try to do it.

Q. Have you any influence with the Speaker?—A. Not the slightest.

Q. No such political influence with the Speaker?—A. Not the slightest.

Q. Do you know the Speaker?—A. I do not know the Speaker, and I do not know anybody else that knows him.

Q. Have you ever spoken to him in your life?—A. No, sir; I do not think I ever even saw him.

Q. Ever communicate with him?—A. Never. in any shape or form.

Q. Or receive a communication from him?—A. No, sir.

Q. Or hold out to anybody that either you or the Electric Boat Company, in any way, shape, or manner, had any influence with the Speaker?—A. I did not, sir. So far as that is concerned, the same thing applied to Mr. Williams. I do not know Mr. Williams, and to my knowledge I do not know anybody that has any influence with him at all.

Q. You did not hold out any inducement or make any representation with Mr. Williams?—A. Not the slightest.

Q. Nor the Electric Boat Company?—A. Not the slightest. I do not believe they have in the slightest.

Q. Did you ever communicate with Mr. Williams?—A. Never.

Q. Or receive a communication from him?—A. Never in my life.

Q. Directly or indirectly?—A. No, sir.

Q. Never claimed to know him or have any influence with him?—A. No, sir.

Q. All you did say was that Mr. Hobson must obtain the influence of the minority leader if he expected to get on the Naval Committee?—A. Yes, sir.

Q. Was this offer of yours to Mr. Hobson that you would do anything that you could for him? Was that suggested to you by any other officer of the company? that you should make to him?—A. No, sir; that was made off of my own bat.

Q. I think you have already covered it pretty fully that it was a suggestion growing out of your long acquaintance with him?—A. That was it, sir.

Q. That if he could suggest anything that you could do that you would be glad to do it?—A. Yes, sir; I felt I had known Mr. Hobson for so many years, knew him so well, it would be perfectly proper for me to say that to him; it would not be misunderstood. If I had not known him so well I would not have mentioned it to him.

Q. He did not suggest anything to you that he would like you to do?—A. He did not.

Q. On the contrary, he expressed a preference you should do nothing?—A. That I should do nothing.

Q. Did you do anything?—A. No, sir; dropped the matter in the telephone booth, never gave a half minute's thought until this investigation came up.

Q. Did any other officer of your company, agent or employee, do anything whatever to win anybody, the Speaker, Mr. Williams, or any Member of Congress, to secure for Mr. Hobson a place on the

Q. If you are willing to tell it we are willing to hear it.—A. Ten thousand dollars a year. I may add that that was the same salary that was offered me by the shipbuilding company.

Q. What shipbuilding company?—A. They were then forming the now defunct shipbuilding trust and they made me an offer which I finally declined. That, as I remember it, was the salary they offered me.

Q. What did you say the name of the company was?—A. My recollection is that it was the United States Shipbuilding Company. It was a combination.

Q. Who was the officer, or person who offered you $10,000?—A. Louis Nixon, I believe.

Q. Where did he live?—A. I think he lived in New York, sir.

Q. State whether you testified before the House Naval Affairs Committee in favor of the Holland as against the Lake submarine on or about May 20, 1902.—A. I did, sir, and I prefaced that testimony by the statement of the chairman of that committee that I expected shortly to resign and take this position with the Holland Torpedo Boat Company.

Q. You stated that publicly to the committee?—A. I stated that to the committee at the beginning of my testimony in order that no misunderstanding should arise as to my position in the matter.

Q. Can you state whether or not your testimony was in any way influenced by the fact that you were about to resign and enter the service of the torpedo-boat company?—A. No, sir. The testimony and the act were both influenced by the fact that I had considered the basic principles as they were then developed in the two types and I considered the Holland type much superior. Otherwise I would not either have testified for it or accepted a position with them.

Q. At the time when you rendered this testimony you had, as you told the committee, already contracted with the torpedo-boat company? Entered into contract with them to take effect at a subsequent time, a month or two later, on the 1st of July?—A. I made an arrangement. I do not know that I had signed a contract.

Q. Was there anything in your interview essential to the making of the contract in any way that involved your testimony one way or the other before the committee?—A. Not the slightest, sir. I was ordered there to give testimony, or at least went there with the permission of the Secretary of the Navy.

Q. And would have given the same testimony?—A. I would have given exactly the same testimony because of my personal belief. It was either the Secretary of the Navy or Chief of the Bureau of Navigation.

Q. Who ordered you to go before the committee?—A. I say I was either ordered or went there with their express permission. I remember going to the Department that morning—the Chief of the Bureau of Navigation or the Secretary of the Navy. I think I was called by the chairman of the committee; I do not remember that; at any rate I went there with the express permission of the Navy Department.

Q. At whose suggestion, if you know?—A. I dare say, of course, the Holland Torpedo Boat Company, I suppose asked me to testify; probably the official request came to me through the chairman of the

committee or the Navy Department; I do not remember. They asked me first would I be willing to testify if I were sent for. I said I would.

Q. That is, the Holland Boat people?—A. Yes, sir.

Q. State whether or not any member of the Naval Committee asked you questions from a list of questions you had yourself prepared for that occasion.—A. Not to my recollection, I do not remember about that. I have not looked at that testimony for a long, long time, and I really do not remember very much about it.

Q. Do you remember on any occasion preparing questions which would be put to you when you testified before a committee?—A. I do not remember doing it.

Q. Can you state positively that you did not?—A. No, I can not state positively that I did not do so, because it is a long time ago.

Q. It is only six years.—A. I think I suggested some questions in the committee if I remember it, at any rate I have no positive recollection on that point, my best recollection is that nothing of that kind occurred because I do not remember.

Q. State whether or not you stated before the committee on that occasion—what I quote is what I am asked to put to you—whether you stated "I should say they cost the company about $125,000." Did you say that in answer to a question by Mr. Dayton?—A. I remember answering a question as to what my guess was as to the cost about that time. That is all a matter of public record, what my answer was.

Q. State whether you stated before the Naval Committee on that occasion "I do not know whether the Holland Company is avoiding a test or not. So far as I know it is not." Do you remember you made that statement before the committee at that time?—A. I think I did, sir.

Q. State whether or not you knew that the Holland company was trying to avoid a test between the Fulton Lake protector.—A. I do not understand this question; is this referring to this year?

Q. It is a question I am asked to put to you and I suppose it refers to the time of that hearing. State whether or not you knew that the Holland Company was trying to avoid tests between the Fulton and the Lake Protector. A. At what time, sir?

Q. I suppose it means the time that you appeared before the committee. I will ask first, at the time you gave that testimony before the committee——A. I knew nothing about the Holland Company. I was an officer of the Navy at that time. If the Holland Company was trying to avoid a test it was something of which I had no knowledge. I wish to add to that, never after I became connected with the company did it attempt to avoid competition with the *Protector*. On the contrary it invited it.

Q. Do you know whether the Holland company was avoiding a test with the Protector?—A. When my connection with the company began it was not; it was inviting a test.

Q. If it was avoiding a test, do you know whether or not, from your connection with the Government in any way, whether or not, prior to your contract with the Holland company, they were avoiding a test in competition with the Protector?—A. I have no reason to believe so; no reason to believe either way; knew nothing about it.

Q. State whether or not you knew of any letters being written by your company or its Washington attorneys in reference to putting off tests with the Lake boat.—A. When does this refer to?

Q. Any time.—A. I do not know of any letters written to the Washington attorneys.

Q. Or any letters written on that subject?—A. Not to any Washington attorneys. There was official correspondence with regard to its test in the Navy Department. In fact, it is a public document, House Document 75, session 1905.

Q. I did not refer to the correspondence—to the documents. I do not understand that this relates to correspondence with the Departments, but between the company and its attorneys.—A. I do not know anything about the correspondence between the company and its attorneys at that time.

Q. Or with anybody else?—A. I told you all my knowledge is confined, sir, to the letters written to the Navy Department—official letters on that subject.

Q. You know nothing about letters written by the company, if any were written, to anybody else for the purpose of avoiding or postponing a test?—A. I know nothing, sir, except what is a matter of public record.

Q. State whether you have talked with any person connected with your company's affairs in reference to putting off competitive tests between the Holland and Lake submarines?—A. When?

Q. At any time.—A. It is a pretty hard question to answer, for at one time both of us had boats and both tried to get them ready for test, and we were delayed. It is very likely I talked to some other person in my company about the delay that was occurring.

Q. You say you were delayed?—A. Yes, sir; we were delayed, and so was Mr. Lake.

Q. And there are times when both tried for a little delay?—A. Yes. sir; there were times when we both tried for delay.

Q. State whether or not you stated before the House Naval Committee, on or about May 20, 1902, "The Lake type of boat is as Captain Wainwright has said, practically useless for military purposes. It is designed on the wrong principle to accomplish the results desired in working warfare."—A. I said so, yes, sir; and subsequent events have proved it.

Q. Did you say further, " Now, he (Lake) has what he calls hydroplates, an auxiliary method of coming up. Hydroplanes are nothing but planes—steel planes along in the middle of the ship, the inclination of which you can change if you like. They are designed to lift the vessel or lower her bodily in the water. Let us assume he is to go up from the bottom with his hydroplane. I started out on the assumption that everything Captain Lake hoped to do is carried out. As an expert, I do not think he can make his hydroplanes work, because they have been tried for from twenty to thirty years, and they have been discarded. It is an old idea and will not work." Do you remember that?—A. Just in substance. It was not taken down exactly correctly, but that is the substance. It left out certain features. I said it would not work at the speed at which he designed his boat to work.

Q. Then you did testify to that substantially, making some allowance for the possible slips of the stenographer and printer?—A. Yes;

and the peculiar omission of the fact that I said it would not work at the speed at which he claimed the boat would make, and it never has.

Q. Have subsequent events demonstrated the correctness or error of that statement?—A. Demonstrated I was exactly correct. In the recent competitive trials at Newport the matter was thoroughly tried out, and here is what the Board, which was ordered to conduct those trials, says on that subject, and this report has been approved by the Board on Construction, the highest technical authority of the Naval Department, and by the Secretary himself. This particular subject, hydroplane, is covered by that Board.

Q. What secretary do you mean?—A. Secretary Metcalf. If you will permit me, I will read the finding of this Board, which effectually disposes of that whole question:

It is the unanimous opinion of the Board that the *Octopus* is the superior boat presented for tests; and furthermore, that she is equal to the best boat now owned by the United States or under contract. The Board is also of the opinion that a boat generally similar to the *Octopus*, but larger, would be a superior naval weapon. Subsequently, the Department instructed the Board to reply to the following additional question: "1. Do the trials conducted by the Board show that the type of submarine boat represented by the *Lake* is superior, inferior, or equal to the type represented by the *Octopus*? Specify in what respects." The Board answered this question as follows: "1. That the type of submarine boat as represented by the *Lake* is, in the opinion of the Board, inferior to the type as represented by the *Octopus*." 2. The closed superstructure of the *Lake*, with the large flat deck, which is fitted to carry water ballast and to contain fuel tanks and air flasks, which is an essential feature of the *Lake* boat presented to us for trial, is inferior to the arrangements on board the *Octopus* for the same purposes, and also is, in the opinion of the Board, detrimental to the proper control of the boat. 3. The hydroplanes, also an essential feature of the *Lake* boat presented to us for trial, were incapable of submerging the boat on an even keel. They are, therefore, regarded as an objectionable incumbrance.

And the board in the body of this report states that at no time during those trials was the vessel operated on this hydroplane principle in regard to which Mr. Lake has been talking for years and years and which I criticised in 1902 as a wrongful principle and impossible of achievement at proper speed.

Q. Do you regard that report then as corroborating that statement before the Naval Committee?—A. That report, sir, taken with the balance of the report, corroborates exactly my testimony before the Naval Committee.

Q. You have spoken of that as being made by a Board. Is it a lengthy report?—A. This particular document I hold is not the report of the Board. That is a quotation from it.

Q. That which you have just read, what is that?—A. That is a synopsis of facts relative to the matter which I have prepared for the information of this committee, if they will permit me later to read it to them.

Q. That from which you quoted, what was that?—A. This document. (Referring to this pamphlet, "Synopsis of facts relative to the action of Congress and the Navy Department in connection with submarine boats.")

Q. Was that from the report of the Board?—A. That was from the report of the Board.

Q. What Board?—A. That Board was known as the Marix Board, consisting of Capt. Adolph Marix, naval constructor; D. W. Taylor,

None of the original boats have hydroplanes on them to the best of my knowledge and belief. Now we turn to the French. The French boats comprise very many different classes, seventeen or eighteen classes. The French policy has always been every time they wanted to build submarines to consult a lot of gentlemen who do not know necessarily anything about it, who never have had experience to give plans. Then they adopt those plans and build from them. They have built and building one hundred boats.

Q. Submarines?—A. Yes, sir. They have, I believe, seventeen different types, most of which are not worth anything. They began with a vessel of 30 tons, the next one was 270 tons, then they came down to 146 tons, then they raised to 185 tons, then they fell again to 70 tons, then raised to 158 tons, then they raised that to 202 tons, and then came down again to 45 tons; then 21 tons, then raised to 212; now they are building them 400 tons and upward. None of those yet finished.

Q. How many boats has the French Government?—A. At the present moment, either 100 or 102 built and building. As I say, there are 17 different types. They have always pursued that policy of building from plans and not following out the development of any one type. In all these types there are different and various schemes.

Q. None of those boats and types were planned by your company?—A. No, sir; the matter of plans is entirely in the hands of the Government.

Q. Will you state to the committee here how many submarine boats the United States Government now owns?—A. Yes, sir.

Q. How many?—A. The United States Government now owns and has in its possession eleven boats. There is one more which will be delivered in a month or so, making twelve.

Q. How many under contract?—A. Eight under contract, seven with the Electric Boat Company and one with the Lake Boat Company.

Q. That would make in all twenty?—A. Eighteen or twenty.

Q. Now, as to the Italian. A. I have not quite finished with the French Government. I wish to say that they have, as I say, a heterogenous mass of boats they can not operate together, and a great many of them are acknowledged to be inferior and a failure. They have not selected some one type from which they get good results and keep developing that. They have in general acted as if it were a subject with which a person, without experience and knowledge, could deal, which is not the case; it is not a question about which a person without a great deal of practical experience and a great deal of information from practical experience can design a submarine boat, which submarine will work perfectly. In other words, submarine boats are produced exactly as all our battle ships are—one step follows another. Each year, as the various mechanical arts progress, those arts are impressed into the vessels, better armor, better guns, better submarine storage batteries and engines, and each one of them is the result of placing together the information obtained from the previous one, with the development in the mechanical arts in the interval, and from that we produce the complete article, just as the constructors and other officers in the naval department produce battle ships. No battle ship ever sprang full-fledged from the brain

of any inventor, nor never will. They are the result of data gained from years of experience. It is the same with submarines.

The French system in general is not a hydroplane system, but a combination of systems and the hydroplane system.

As to the Italian boat, there is very little known about them, but their system of submergence is understood to be the same as the French, so far as the rudders are concerned. It is reported they have also vertical propellers to draw them down. That has been fully tested in the past and found to be a failure—it was so reported. No authentic data about the vessels. It is very well understood they have bow and stern rudders. Exactly the same thing is true of the German boats. In Russia there are so many different kinds of submarine boats——

Q. Do you know how many submarine boats Italy has?—A. Italy is supposed to have 8 built and building. I think the Secretary of the Navy reports that this year. The Secretary of the Navy in his last report says 3 built and 3 building, sir. My information is that it is a couple more.

Q. You say 8. How many has the German Government?—A. One built and 2 building; they have been slow in adopting it.

Q. Russia?—A. The Russian Government has 25 built and 6 building.

Q. What do you say about the Russian boats?—A. They comprise a number of different types. They have 7 vessels built by us, and they have some built by Mr. Lake, which were paid for by voluntary fund during that war. They have some built by some Russian engineer, so that I presume the Lake boat there has hydroplanes, though whether working or not I do not know. If they are, they are at very slow speed. They have made no speed on the trial at all that would be regarded as suitable for this or any other country than Russia.

Q. It occurs to me to ask a question right here. It has been testified to by Mr. Lilley—something you said seemed to lead in that direction—that in England at least, and probably in the other countries, they get the best that you know on the subject of boats, or you make boats for them, or contract for boats, and on those plans they get the most modern improvement that is devised here; but if they invent any improved appliances over there they keep it a secret, and we do not get them.—A. I can explain that, sir. Outside of England there is nothing of that sort at all that could possibly be construed into it. Outside of England there is nothing that exists that could be twisted into such an arrangement. When we made this arrangement in England with the Vickers Company we entered into a contract which contemplated among other things, so I am told, an exchange of improvements, and the first vessels built there proved successful. The British told Messrs. Vickers they would not permit them to build boats for anybody but England. They entered into some arrangement by which all submarine boats built would be built by the Messrs. Vickers and they were to deal together in the matter, the Vickers not to build for anybody else, which forced us to change our arrangement with Vickers, which at that time contemplated the whole of Europe. In that arrangement that they had they stipulated Vickers must not give us the advantage of anything discovered in connection with the development of the British boat. That forced us to

change our arrangement with Messrs. Vickers, and under that change a restriction was put in, stating that as far as these improvements are concerned it could not be construed to extend to any countries where such a thing was developed with the Government or to any violation of a contract with the Government, which leaves the matter in this shape, that new things Vickers develop, as I understand it, in connection with the British Government, they are not at liberty to give us. Now, we have a similar arrangement here; anything I develop in connection with the United States Government or in connection with the Navy in any way I do not give to them.

Q. Then the two nations are on a parity in that regard?—A. On a parity in that regard. I should say that the restrictions over here are a little bit looser, in a way.

Q. Have you a copy of the contract?—A. No, sir; I have not.

Q. Has any officer of your company?—A. I presume so; I do not have it.

Q. Not in your custody?—A. No, sir.

Q. Do you know what officer would have it?—A. President of the company, I presume.

Q. Mr. Rice?—A. Yes, sir.

Q. Now, the next question submitted to us to be put to you is this: State whether or not the Lake submarine boat *Protector* used hydroplanes and whether they worked.—A. Used hydroplanes, but I understand that they worked up to a speed of about 4 knots an hour. There is no reason why they should not work at that speed.

Q. At what speed do you claim they would not work?—A. Well, for that particular boat I think that they would not work at much more than 5 knots; somewhere a little over 5 would probably be the limit for that size of boat, with the stability she has.

Q. State whether you tried to work hydroplanes on the *Octopus;* if so, what was the result?—A. I did not try to work them. I put them on to give an ocular demonstration of the fact that they were useless for high speed. We find (as I explained, for scientific reasons) that up to about 4½ or 5 knots we could obtain control nicely, but such control was slow and in my judgment unsatisfactory. We could get it up to above 4½ or 5 knots. That vessel makes 10 knots under water. Now, the minute we passed 5 knots, or 5½ to 6 knots, it made no difference where we put the hydroplanes, we could not control it, and yet that vessel has almost double the stability of the Lake vessel. I put them on there to give an ocular demonstration and promptly took them off as a useless incumbrance.

Q. State whether a craft that uses hydroplanes is as valuable per ton as one that dives like the *Octopus*.—A. I do not know of any craft that uses hydroplanes that is worth anything per ton compared with the *Octopus*.

Q. State whether or not $745.45 is a reasonable price per ton for submarines that dive like the *Octopus*.—A. It is not, sir.

Q. You say it is not. You mean it is too small?—A. I do. I should say $745 a ton is entirely too small a price. You could not build them for that.

Q. It can not be built at that price?—A. No sir, it can not, not a modern one. You will find the facts are on record at the Navy Department; I don't know whether the Department would consider it

desirable to make them public; they certainly would give this committee the essential facts, that a modern vessel of the type of the *Octopus*, that the actual cost of construction is very much more and in one case at least considerably in excess of the contract price and that the cost per ton is very much more than $745.

Q. Are the contracts for these boats let by the ton?—A. No, sir; they are not by the ton.

Q. Have they ever been let by the ton?—A. I have never heard of such a thing. This is an ordinary measure of comparing ship building of similar character and not too great difference in displacement. In other words, if you would design two battle ships, one of 12,000 tons and one of 10,000 tons, similar in every respect, you would find the cost per ton would be pretty nearly the same except that the larger vessel would cost a little less per ton, irrespective of size, because there are some costs about the same. I never heard about anybody letting shipbuilding contracts at so much per ton—never heard of such a thing. Now the questions of what is the proper price per ton for submarine boats of the *Octopus* type should be asked Admiral Capps and the Secretary of the Navy. They have just settled it. In consideration of the matter they have disposed of it by making contracts not at so much per ton but making the contract for a ship at so much, and on dividing the price by the tonnage you can find out the price per ton.

Q. I want to ask another question. It has been said before the committee that the Government paid last year, I think, $1,000,000 more to your company for submarines than would have been a fair price for them.—A. That is an outrageous and ridiculous misstatement, without a single iota of fact to support it and without a particle of truth in it. The facts of the matter are we have never received excessive profit on any submarines and on the last we have built we have not received any profit at all.

Q. What do you mean by the last?—A. The *Viper*, *Cuttlefish*, *Viper*, *Tarantula*, and *Octopus*.

Q. You say the company has made no profit at all?—A. I mean to say I know we have not on the Octopus. The last time I looked at the construction figures on the others the margin has been so small I think it has been wiped out since, because there have been expenses since. This whole question of what is a proper price per ton for submarines comes about through some testimony given by Admiral Bowles, I think, before the Senate naval committee some years ago, I think that was in 1902, the admiral gave that testimony; he was of course representing the Government and trying to protect its interests in the best way he could. Admiral Bowles had then had no experience with submarine boats, submarine boat building, I think, and because of that I think he would now, and he had no conception—he and I are personal friends, always have been—that that testimony was given without knowledge of facts. He had nothing to base it upon, never built submarine boats, and the construction is entirely different from anything he had undertaken. What he did was to take a list of weights and say this then ought to cost so much per ton, etc., and he arrived at that figure. Now subsequent to that time, after Admiral Bowles had resigned and taken the presidency of the Fore River Shipbuilding Company, we desired

to have him build some boats of the same size and practically the same design for the Government of Japan, so I had to sit down with Admiral Bowles and decide what he should receive for building them. We had to give him some profit for doing his part of the work, although we furnished the plans and supervised it, tried the boat and took all the risks. I said to him, "I think we will dispose of this matter; I want to be generous; I am going to give you that enormous price testified before the Senate committee, and that will dispose of the whole matter." He said, "You are too willing to do that," and declined to do it. We built those vessels in his yard and found the actual cost of them manufactured, irrespective of patents or expenses or anything else, was up to that price. In other words, at that price we could barely build that particular type of vessel, with no profit to anybody.

Q. I know nothing about the relative value of these boats. We will suppose the Lake and the Holland boats were of equal value to the Government, and there was close competition right there, don't you think they could be built for considerably less?—A. A boat of equal value to the Government?

Q. Yes, sir.—A. Do I think they could be built for considerably less?

Q. Yes.—A. Or sold to the Government for considerably less?

Q. Yes.—A. I doubt it very much. There is no excessive profit in it. Every government in Europe pays just as much, and the French Government, where they have enormous competition, where they have no profits to them or patents to consider, no development expenses, no trial expenses, and the cost of their vessels is as great as ours, the actual cost of building them. This Government gets a vessel of a certain tonnage and it is better than the corresponding French boat and it has not paid any more for it.

Q. You say, then, that our boats are not costing more proportionately than the boats of other countries cost them?—A. They are not, sir. Other governments have never paid our company less for the same product.

Q. Do you know whether the price specified in the contract with the Lake company is higher or lower than the price paid to the Electric Boat Company?—A. The actual price is higher, sir.

Q. How much higher?—A. Ninety thousand dollars higher than our highest price.

Q. Is it a larger boat or more expensive boat?—A. It is a somewhat larger boat, but whether it is a more expensive boat or not I could not say, I am not able to state, but for the same performance, reducing the two boats to the same performance, he is getting about $70,000 more than we got.

Q. Putting the boats on the same plane as to size and required performance?—A. Not as to size, but putting them on the same plane as to performance under those two contracts. There are certain minimum and maximum requirements. The minimum requirements of this vessel that he is building are the same as our maneuver requirements; but in one or two respects he has promised more as a maximum. It is provided in the contract for all naval vessels that if we fall between that maximum (the guaranties upon which that price is based) and that minimum, the Department makes a stipulated reduction, which is set down as so much, $10,000 a boat, or $20,000 a

boat, or whichever it may be. So under these two contracts we are building a 360-ton boat, the largest one, for the Government; and if that boat and this Lake boat give equal performance then the Lake Company will get $70,000 more for that boat than we will get for this one. All the Government will get for it is a little more tonnage of some kind. I mean for equal performance, speed and everything else guaranteed in the contract, the Lake Company receives $70,000 more than we do.

Q. Now you have already stated your boats were recommended by the Marix Board and approved by another board?—A. Yes, sir.

Q. State, if you know, upon the report of what board or boards the contract was let by the Secretary of the Navy for the Lake boat?—A. I never heard of any board recommending that. I do not think they ever did.

Q. Do you know how the contract came to be let?—A. I have never been able to understand that, sir.

Q. The next question submitted to be put to you is this: President Bowles, of the Fore River Shipbuilding Company, is building your *Octopus* type of submarines?—A. Yes, sir; a portion of them, a part of each boat. He is building for all the boats on the east coast, but he is not building the whole boat.

Q. President Bowles, when Chief Constructor of the Navy, stated before the House Committee on Naval Affairs on May 17, 1902—this is now quoting from his statement: "My calculations are that a reasonable cost with a handsome profit to the contractor for the boats now built would be $89,459." The tonnage of the boats at that time was 120, was it not?—A. Yes, sir.

Q. What is the tonnage now?—A. The largest one under construction with us is 360.

Q. How would the price at which the Lake contract was let recently compare with this price as specified by Mr. Bowles?—A. It would be more.

Q. How would this cost of $89,459 compare with the price that your company is getting for the boats now under contract?—A. With the price or the cost?

Q. Yes; the cost.—A. We are getting more and so is Mr. Lake getting more.

Q. What do you say about this figure, $89,459, as a reasonable cost of those boats?—A. It is not a reasonable cost, and that is a matter that has been aujudicated by competent people in the Navy Department. The board of construction took under consideration the question of cost of that particular class of boats and they reported to the Secretary of the Navy that the price contemplated and asked by the company was fair and reasonable, and the Secretary of the Navy transmitted that information to Congress—it is in the archives of Congress. Now, the Secretary of the Navy contracted with us under a discretionary law; he had no obligations to contract for anything if he had considered it not a fair price—he contracted for the *Viper*, *Cuttlefish*, *Tarantula*, and *Octopus*. We did not get a fair price so far as we are concerned. So far as the Government is concerned, the Government made a very good bargain. In other words, we tried to do more than we could do for that amount of money. It has cost us something; we suffered a loss. And in all recent contracts we bid under a discretionary law and the price was passed upon by the Sec-

retary of the Navy and by the board of construction, who settled this price at what is a fair and reasonable price with all the knowledge they have since gained and with the plans and specifications before them, and the Secretary of the Navy in his annual report finally disposed of that question. He makes a recommendation as to the proper cost of a 360-ton boat. As our contract price was $360,000, he asked Congress to appropriate $380,000; that is, for that particular size boat, because they may want to put some more improvements or may want to have them built at some different place, and so on, inspection expenses, and so on—it cost the Government a little bit to inspect the vessels.

Q. Mr. Spear, this other question has been submitted to the committee. State whether you are acquainted with Lieut. Charles P. Nelson, of the United States Navy.—A. Yes, sir.

Q. State whether you ever had any financial transactions with him.—A. No.

Q. None whatever?—A. None that I remember, sir. Mr. Nelson was at New Suffolk when I lived there. He was in charge of some boats there; I lived there and we were practically the only people who were there. It is a small village, practically; that is where I saw most of him. I had no financial transactions with him that I know of, except possibly in connection with the Government. He would sometimes make a requisition for those boats, gasoline or something, which we furnished to the Government, or to do some service on the boats.

Q. That is while you were in the Government service?—A. This was afterwards.

Q. When was that?—A. Several years ago.

Q. State whether or not you have any knowledge of the Electric Boat Company giving any money to any United States naval officer or to any person in the United States service.—A. Not the slightest, sir, the Electric Boat never has, I believe.

Q. State whether or not you have any knowledge of any officers, contractor, or stockholder of the Electric Boat Company giving any money to a United States naval officer or to any person in the service of the United States Government.—A. I have no such knowledge.

Q. State whether or not you have any knowledge of any representative of the Electric Boat Company, officers or directors, giving money to any person connected with the United States Government.—A. I have no such knowledge, sir.

Q. State whether or not you have written confidential letters concerning the United States Navy and the submarines you were building to any United States naval officers detailed to the Navy Department at any time.—A. Confidential letters?

Q. Yes.—A. I don't know whether I ever did or not. I may have written some letters marked confidential. They have all since been published. I know of no other letters or official documents in the House.

Q. You know of no letters?—A. None whatever, sir; they are all printed in House Document No. 75, in the year 1905. Those are the only ones I know of.

Q. Are they printed in a public report; what is the report?—A. Yes; it is House Document 75, committee on correspondence on sub-

marine boats, up to February 14, 1905. It was transmitted by the Secretary of the Navy to the chairman of the House Committee on Naval Affairs. That was reproduced in a public document. That and its appendix contained correspondence which I have had with officers in the service I have known for years; nothing confidential about the correspondence and never intended to be; it was personal.

Q. What officer was it?—A. Naval Constructor Woodward, who, I regret to say, is now dead, one of the ablest naval officers and finest and honorable gentlemen that ever lived. He was vilely slandered and misrepresented by people who had nothing to gain from it, but for business reasons.

Q. Mr. Spear, state whether or not you have confidentially corresponded with any United States naval officer.—A. When?

Q. Relating to your submarine contracts.—A. At that time?

Q. Since that.—A. No, sir; I have not since that.

Q. These things are all printed in that report?—A. Yes, sir; all of them. I may add that the matter of those letters was very fully gone into by the Secretary of the Navy at that time. I have nothing further to say.

The CHAIRMAN. Any other member of the committee any question that they would like to ask?

By Mr. STEVENS:

Q. When are your boats to be finished, under the last contract made last summer—the submarines?—A. Contract time or when we expect to finish them?

Q. When you expect to finish them.—A. We expect to have them practically finished next winter and they can begin their trials in the spring.

Q. What is the contract time for them to be finished?—A. I do not know that; I have not with me. I think two of them twenty months; two, twenty-two; one, twenty-four; one, twenty-five, I think, but that is a mater of public record; it could be easily ascertained.

Q. The Lake contract provides for a little bit longer time?—A. I believe so, I believe twenty-seven months.

Q. What is the estimated tonnage of the Lake boat?—A. About 500 tons, I understand.

Q. And what is the estimated tonnage of the largest type that you have under construction?—A. Three hundred and sixty tons, about.

Q. Is it your business to be informed concerning the reasons why the different boards or different officials of the Navy Department award contracts to your concern or to some other concern—that is to say, why contracts are to be awarded?—A. Is it my business?

Q. Yes. That is to say, do you keep informed concerning the tests on the trials of the various boards as to the reasons why they award contracts to you or somebody else?—A. I keep informed as fully as I can on my business.

Q. Do you keep informed as to the reasons why the different officials of the Navy Department award contracts to you or somebody else?—A. Whenever they give reasons.

Q. Is it your business, or whose business is it, to find out why the Navy Department or the boards of the Navy Department or officials of the Navy Department award contracts concerning these vessels?—

A. I do not really grasp your question. I do not know just what you want to find out.

Q. What I want to find out, whose business is it to know why the different members of the Navy Department for various reasons have awarded contracts?—A. You mean so far as this company is concerned whom do they rely upon for judgment in that matter?

Q. Yes.—A. They rely upon me, sir.

Q. Now you keep informed, then, why the board decided in your favor, or why the heads of the various bureaus of the Navy Department decide in your favor?—A. Yes, sir.

Q. And why the Secretary of the Navy decided in your favor?—A. It follows naturally.

Q. Do you know what influenced the Secretary of the Navy in making a contract in favor of the Lake boat—what information have you on that?—A. None at all.

Q. Have you sought to find out?—A. I have not sought to find out. It simply took place. I was here discussing the matter with the Secretary while it was pending, had three or four official interviews with him, had correspondence; the Secretary never told me why it was done, and I do not know to this day.

Q. Have you ever sought to ascertain from the officials of the Navy Department why that contract was made?—A. I never have, sir, because I should have considered it improper. I had made as strong an argument as I knew, and the Secretary had at the close of his interview with me said I had fully presented my case and he didn't see that I had anything more to say about it, and he would finally decide it as he considered best, which he did.

Q. Did you bring it to the attention of the Navy Department that tests had been made and recommendations been made by officers concerning the excellence of these boats?—A. Yes, sir.

Q. That was impressed upon them by you?—A. Yes, sir.

Q. You advanced various arguments why your boat should be selected as against the other?—A. Yes, sir.

Q. Have you obtained, or have you sought to obtain, any information why that recommendation was disregarded in awarding a contract for their boat, or any other type of boat?—A. I have not obtained any. I have never asked anything about it. I did not know how to go about it. I felt it was improper for me to go and question the actions of an official of the Navy Department. I really did not think I could go to him and ask him why he did this, and so I have not.

Q. Isn't it your business in the line I have asked you to know why the officials of the Navy Department preferred some other type of boat that is not favorably recommended by the board in preference to yours, which is recommended by the board?—A. I would liked to have known.

Q. But you do not know?—A. I do not know.

Q. Have no information on the subject?—A. I have none.

Q. Have you tried to obtain any?—A. No, I did not know any place to go; I have talked to people "Have you any idea about it?"

Q. Whom did you talk to?—A. I do not know. I have not been going to anybody seeking information.

Q. Whom did you talk to?—A. Mr. Bowles. When they happened to discuss the question, I would say: "What is your idea of it?" I have not been out hunting for that information; I had not the faintest idea where to go.

Q. Didn't any of them have any information on the subject?—A. None of them have.

Q. None of them brought information to you on the subject?—A. I have not the slightest information; I have not to-day any reason; I could not assign the reason for that action to save my life; I do not know why it was done; the Secretary never told me.

Q. Did you or the officers of your company take the position that the provisions of the act of 1906 precluded any such action?—A. We did, sir.

Q. And argued your position before the Department?—A. We argued that before the Department.

Q. Do you not consider that you have a right to inquire why that act was disregarded?—A. Well, I have not so considered it, because while my view as to that law was pretty clear it did not agree with the learned Attorney-General in his decision. If that was the law according to the Attorney-General's decision, it seems to me the Secretary could do anything he chose, and he chose to do that.

Q. Do you not keep informed about what your rivals are doing to obtain contracts?—A. No, I have no means. I am always glad for any information in a business way to know what my competitors are doing.

Q. Isn't this a business way of keeping informed concerning methods of obtaining contracts?—A. Do you mean have I a system of keeping informed or do I occasionally get information?

Q. The same as every business man keeps informed concerning what he is doing.—A. I have no system to get information, but I gladly welcome any information which I consider authentic about what people who compete with me in a business way are doing. I occasionally get some, but as a rule I do not.

Q. Why is it you have not sought information concerning what influenced or affected officials of the Navy Department in letting the contract for that boat?—A. Because I do not know where to go for it. I have never asked the Lake Company if it would not tell me, and I did not feel that it was proper for me to go to the Secretary of the Navy and ask him to give his reasons for his action. I felt and still feel I did not want to put myself in the position of criticising the Secretary of the Navy or the Navy Department. I felt then, and still feel very much aggrieved about it and all that, and I represented that very strongly to the Secretary of the Navy, but he closed the matter up by saying: "Mr. Spear, you have presented your argument, and made a very full case for your side, and there is really nothing more from you to aid me in a decision." That was the end of it. He gave his decision afterwards, and I never questioned him or anybody in the Navy Department since; why it was done I do not know.

By Mr. HOWARD:

Q. In view of your education and interest in this subject, what do you consider the chief use of the submarine boat to the United States?—A. The chief use is for coast and harbor defense, sir.

Q. What, then, would you make the measure of a sufficient number of these boats?—A. That should be measured by the extent of coast and the number of harbors to be defended.

Q. Now, then, would you say that the Government had constructed or authorized the construction of enough of these boats, how would you arrive at that conclusion, when it had done that?—A. I would arrive at that by a study of the various localities to be defended and by the number of boats required in each locality, taking the number required for contingencies and reserve.

Q. Inasmuch as you have an interest in this construction and doubtless have considered the question when you were in the Navy, what is our coast line, the extent of it, or what number of boats would be required for our coast line?—A. I am very sorry that I could not answer that question accurately at the moment. I have looked up those figures, and I wanted to arrive at a conclusion about it, but I should say simply approximating it, I should say we ought to have about one hundred.

Q. Now, then, would the needs of the harbors of the United States call for an additional number?—A. No, sir.

Q. One hundred would cover it all?—A. That is a mere approximation.

Q. Does that include the Canal Zone and the insular possessions?—A. I think you will have to add some for those, I think so.

Q. How many have we in all, constructed and under construction?—A. We have 11, sir, in the hands of the Government and we have one which will be turned over next month or so; that makes 12.

Q. Twelve per cent of the maximum of boats which, in your judgment, the country will need to adequately protect its coast and harbors?—A. Yes, sir.

Q. If, then, the Naval Committee or a Member in Congress voted for 80 boats, or any other number of boats under 80, could it be said, if he had the same view that you did, that his actions were due to some corrupting influence or patriotic motives?—A. Patriotic motives, certainly not corrupting influence.

Q. As long, then, as the number of boats provided by our Government is less than the minimum number estimated for the coast defense, it is not a reasonable inference, or the only inference, from a Member's voting for less than the full number, that his judgment was improperly influenced?—A. Certainly not, sir. In answer to that I may call your attention to a letter from the Secretary of the Navy, in Senate Document 186, therein referring to his recommendation. This is a letter addressed by the Secretary of the Navy to the President of the Senate.

In my report for the present year recommendation is made for the construction of 4 new submarines. This recommendation was made in consideration of the policy of keeping naval expenses within the lowest reasonable limit necessary to meet the urgent needs of the service. Whether this number should be increased is a matter within the discretion of Congress.

Q. Would you say, then, that Representative Hobson, when he voted on the Naval Committee for 8 boats, that that action of his could be referred by any fair means to his interest in or relation to you, or as the result of any possible solicitation from you to him, or any promise from you to him of any benefit?—A. Certainly not, sir; *certainly not.*

Q. In view of the conflict between you, his testimony contrasted with yours on the matter of your interview on the subject, I will ask you if you and Representative Hobson entered the Naval Academy in the same year?—A. No, sir; I entered the year after.

Q. You were then three years together?—A. We then were there three years together.

Q. And were in the same corps?—A. In the same corps afterwards.

Q. Both naval constructors?—A. We were, sir.

Q. Can you tell me the year he went out of the service of the United States?—A. It must have been 1902 or 1903.

Q. Can you tell me the year you went out?—A. 1902, sir.

Q. He quit the active service of the Navy and particularly the branch of naval construction to go into private life?—A. Yes, sir.

Q. For his private business?—A. Yes, sir.

Q. And you quit the active service of the Navy, the construction department, to go into private life, your private business?—A. Yes, sir.

Q. Did you derive from your careers in this time any reason for supposing that either of you have an advantage of the other for credibility?—A. Not the slightest, and I do not wish to be understood as attacking Mr. Hobson's credibility. It is a matter of memory, and in this, in my judgment, he and I differ on that particular matter.

The CHAIRMAN. Does any other member of the committee desire to ask any question?

Mr. SPEAR. I have some knowledge, due to my connection with this company and with this Government, which is pertinent to this inquiry.

The CHAIRMAN. The committee will be glad to hear any statement.

Mr. SPEAR. If the chairman will permit me I would like to make it. I have prepared a synopsis of facts.

The CHAIRMAN. In the first place, I will ask, so far as the oral testimony has gone, does any member of the committee desire to ask any further questions of this witness? (No response.)

Is there anyone present from the House of Representatives that desires to ask to have any questions propounded to this witness? (No response.)

Mr. LITTLETON. I submit three or four questions which I will ask the chair to propound to the witness.

By Mr. OLMSTED:

Q. Are you familiar with the report of the Secretary of the Navy for the year 1907 in reference to submarine boats?—A. Yes, sir.

Q. Have you that publication of the report?—A. I have it, sir.

Q. Suppose you read it. That is the official report?—A. Yes, sir.

Q. Suppose you read the publication concerning submarine boats.—A. On page 3 the Secretary says:

> In foreign shipbuilding programs of the current year the characteristic feature of all is the presence of battle ships of heavy displacement, destroyers, and submarines.

Following that the Secretary gives a table, most of which I have repeated as to the number of submarines built and building, Great Britain, France, and so on. On page 36 he says:

> As compared with other naval powers we are also woefully deficient in destroyers and *submarines.*

And on that same page he recommends four submarines of the same type as those recommended as the result of the recent competitive test, provided a more satisfactory type is not developed in the meantime.

And on pages 12 and 13 he says under the caption "Submarine boats:"

The act of June 29, 1906, making appropriation for the naval service, contained the following proviso: "The Secretary of the Navy is hereby authorized in his discretion to contract for or purchase subsurface or submarine torpedo boats to an amount not exceeding one million dollars, after such tests as he shall see fit to prescribe, to determine the comparative efficiency of the different boats for which bids may be submitted: *Provided*, That such tests shall take place within nine months from the date of the passage of this act; and for such purpose the sum of five hundred thousand dollars is hereby appropriated."

In order to carry out the provisions of this act the Department under date of August 20, 1906, convened a board of five members, none of whom had recently been associated with Department boards, having to do with submarine torpedo boats.

The board met on August 23, and under date of August 28, 1906, made a report recommending a schedule of comparative tests for such boats as might be entered for test. This schedule was referred by the Department to the Board on Construction, which recommended some slight changes, after which the report was approved by the Department and copies furnished the parties interested. In view of the fact that the time limit of nine months from the date of the act of June 29, 1906, would close at a season of the year very unfavorable to trials in Narragansett Bay, the Department recommended an extension of the time of two months. This was authorized by Congress in the act of March 2, 1907, which also made other modifications in the original act of June 29, 1906.

The provision in the act of March 2, 1907, is as follows:

"That the provision in the naval appropriation act approved June 29, 1906, authorizing the Secretary of the Navy to contract for subsurface or submarine boats after certain tests to be completed by March 29, 1907, is hereby amended in accordance with the recommendation of the Secretary of the Navy, so as to extend the test until May 29, 1907; and the limit of cost provided for in the authorization aforesaid is hereby increased to three million dollars, and the sum of one million dollars, which includes the half million dollars heretofore appropriated, is hereby appropriated, and to remain available until expended, no part of this appropriation to be expended for any boat that does not in such test prove to be equal in the judgment of the Secretary of the Navy to the best boat now owned by the United States, or under contract therefor, and no penalties under this limitation shall be imposed by reason of any delay in the delivery of said boat due to the submission or participation in the comparative trials aforesaid."

The time of beginning the trials was fixed for April 30, 1907, and competitors were directed to have their boats at the torpedo station, Newport, R. I., at that time. The Electric Boat Company submitted a submarine boat under construction by them for the United States naval service, named the *Octopus*. The Lake Torpedo Boat Company submitted a boat which had been constructed by them, named the *Lake*. The Subsurface Torpedo Boat Company did not submit a boat for trial, but offered for such trials as were practicable a quarter-size model of a boat of 140-foot length, designed by them, and the Department authorized the model to be tested. This model was of one sixty-fourth the displacement of the proposed full-sized boat.

Meanwhile, under date of October 26, 1906, the Department had issued advertisements for bids for submarine and subsurface boats in accordance with the provisions of the act, and bids to be opened on February 18, 1907, or prior to the trials provided for by law. The date of opening bids was subsequently changed to April 30, 1907. Bids for submarine boats were submitted by the Electric Boat Company and the Lake Torpedo Boat Company. The 274-ton boat bid upon by the Electric Boat Company was substantially a duplicate of the *Octopus* which was offered for trial, and the 235-ton boat bid upon by the Lake Torpedo Boat Company was substantially a duplicate of the *Lake* which was offered for trial.

After the completion of the trials at Newport, R. I., the trial board submitted a report giving in detail the results of the various trials conducted by it. The Board's conclusion as regards the *Octopus* and *Lake* was as follows:

Mr. CHAIRMAN. If this is in response to a question he may indicate the pages which he wishes to insert and they will be inserted by the stenographer.

(The matter quoted continues as follows:)

"It is the unanimous opinion of the Board that the *Octopus* is the superior boat presented for tests; and, furthermore, that she is equal to the best boat now owned by the United States and under contract.

"The Board is also of the opinion that a boat generally similar to the *Octopus*, but larger, would be a superior naval weapon."

As regards the subsurface boat, the trial board reported that it was not comparable with submarine boats; that the type might be considered in comparison with torpedo boats and destroyers, but that in the absence of a full-sized boat, it was impossible to make a satisfactory comparison with any class of vessel.

This report of the trial board, together with the bids received by the Department under date of April 30, 1907, was referred to the Board on Construction for report and recommendation. The Board on Construction stated that the report of the board on comparative trials of submarine and subsurface boats was complete and conclusive, and that it concurred in the opinion of the trial board already quoted. It recommended that the Department enter into contract with the Electric Boat Company for the construction of 8 submarine boats of the *Octopus* type, 4 of the size of the *Octopus* and 4 of the 340-ton size subject to a reduction of price to $285,000 for each of the four 105-foot boats and $360,000 for each of the four 133-foot boats, the guaranteed submarine speed to be increased in the case of the 105-foot boats from 8 to 9 knots and in the case of the 133-foot boats from 8 to 9½ knots.

Some question having been raised as to the amount of discretion vested in the Department under the law, the Department referred the following questions to the Attorney-General under date of July 8, 1907:

"1. Whether, upon the condition of facts thus presented, the Department is authorized to expend any portion of the moneys appropriated by the acts of June 29, 1906 (34 Stat., 583), and March 2, 1907 (34 Stat., 1204), for the construction or purchase of a submarine boat or boats of the *Lake* type?

"2. Whether, under the facts as stated, the Secretary of the Navy is authorized to expend any portion of the appropriations referred to for the purpose of subsurface boats of the type subjected to trial as above set forth?"

The Department also called upon the trial board for some further statements of opinion based upon the results of the trials conducted by it.

After very careful consideration of all the records, reports, and supplementary reports of the trial board the opinion of the Attorney-General and the recommendations of the Board of Construction, and statements of the parties interested the Department concluded finally to award to the Electric Boat Company a contract for four vessels of the *Octopus* type and size at the price of $285,000 each, and three vessels of the *Octopus* type but of the larger size, at the price of $360,000, the total contract price for the seven boats being $2,220,000. With suitable reservations for the cost of any probable changes or additions during construction, and for costs extra to the contract, such as governmental inspection, there will still be available, within the total limit of $3,000,000, a balance exceeding $500,000. The Department has since obligated a portion of this balance, subject to the decision of the Lake Torpedo Boat Company, to accept the Department's proposition to purchase a submarine boat to be built by the Lake Torpedo Boat Company if said boat, upon completion and test "shall prove equal, in the judgment of the Secretary of the Navy, to the best boat owned or contracted for by the United States on the 2d of March, 1907," no payment on account of the vessel to be made, however, except in the event of its acceptance by the Government.

Q. That is the report of the Secretary of the Navy for 1907?—A. Yes, sir.

Q. Mr. Spear, the next question which the committee is asked to propound to you is this: Mr. Lilley has sworn on information that the only business the Electric Boat Company is engaged in is to secure

Government contracts. It does not build boats; it sublets them, if my information is correct, to the Fore River Iron Works, at Quincy, Mass., but it does not operate any plants and it has no business except to secure Government contracts, and that it is a New Jersey corporation with an eight million dollar capital, with practically no assets except some blueprints, and that the only business it is engaged in is Government contracts. Is that a fact or not?—A. It is not a fact. The Electric Boat Company has plants in the first place, has one at Quincy, Mass., another at New Suffolk, Long Island, two at Bayonne, N. J. So far as submarine boats are concerned, it sublets a portion of them. The Electric Boat Company itself through its own employees does perhaps about 20 or 25 per cent of the work, I should say, and sublets the rest. It builds other boats, small craft, steam yachts, launches, also electrical machinery, dynamos, all that sort of thing. It has as a rule at its different plants men employed as workmen from time to time, possibly from 250 to 400, depending upon the condition of our business, and that does not include, of course, the technical staff which is kept for the purpose of making the designs. We keep a very large technical staff which we are obliged to keep permanently whether we have business or not, so long as we remain in business; we can not afford to scatter the men who have grown to be useful in this work.

Q. You have described generally the plant or plants owned by the company?—A. Yes, sir.

Q. And have said where they are located?—A. Yes, sir.

Q. Can you give generally the organization of these various plants, the number of men employed and the character of the boat-building going on?—A. Well, I have practically given all that in my testimony given previously.

Q. The next question is this: Mr. Lilley said in substance that the inducement to the Electric Boat Company to corrupt legislation was to secure the passage of a bill which would shut out competition, and then the Government would be obliged to pay the Electric Boat Company $1,059 a ton instead of $745 a ton for submarine boats, and this was an inducement to an $8,000,000 company without practically any assets to set out to get an extra $1,000,000 of the Government's money each year. What have you to say on that subject?—A. I have not seen this provision to which Mr. Lilley refers, except as it has appeared in the newspapers. I presume he has reference to this year's provision, committee provision, about which this discussion arose.

Q. No copy of it?—A. All that I know about it is what I have seen in the papers.

Q. It does not matter about that; the question is that it is an inducement to the Electric Boat Company to corrupt legislation, to secure the passage of the naval appropriation bill which would shut out competition. The question is not whether as offered in the Naval Committee this year it would do that, but that it is an inducement to your company to corrupt legislation in order to secure the passage of a bill which would shut out competition so that the Government would have to pay to the Electric Boat Company $1,059 a ton instead of $745?—A. I presume that is a statement of general law that would apply to everybody.

Q. We are not talking about general law.—A. You asked what I know about it; you asked would that be an inducement. I thought that question was referring to the committee appropriation about which, as I understand it, all this discussion has arisen. The newspapers purport to say that the provision provides for 8 submarine boats to cost, I think, not more than three and a half millions and that they are to be of the same type recommended by the Secretary of the Navy. If any boat is not approved by test before some date next fall, October 1—that is what the papers have said; I don't know whether that is the provision or not—if that is the provision, of course it provides specifically for competition, so far as that is concerned. I do not see anything in that.

Mr. LITTLETON. The question is whether $1,000,000 in the aggregate would be an inducement?

A. No, sir; it would not.

Q. I will put that question to you. If a contract were let to your company to build 8 submarine torpedo boats for an amount not exceeding $3,500,000 in the aggregate——A. No, sir; that would be no inducement. The Secretary of the Navy would settle how big the boats are to be, and how fast and what price he is to pay for them. It would be no inducement to us.

Q. Would there be $1,000,000 profit?—A. We would like $1,000,000 profit, but no human being could tell what the profit would be. It would not be $1,000,000 or anything like it. The Secretary of the Navy would settle the price. We must make our price with the Secretary of the Navy. In the past we have not made $1,000,000 out of 8 boats—not anything like it. We do not expect to in the future.

Q. If the legislation of this year would cut out competition so that the Secretary of the Navy would have to buy the boats or go without submarines——A. Would we make $1,000,000 on it?

Q. Yes.—A. No, sir.

Q. Could he still, in his discretion, buy the boats or let them go?—A. All I know about this business is what I am quoting you, what I understand to be the sense of it; I do not know the wording of it. I presume the Secretary would do what he always has done—decide the size and say that we have got to agree with my technical advisers as to the price.

Q. While it has not been officially introduced, we have been provided with a copy of what we understand to be submarine provisions in the naval bill. I will submit it to you and question you from that on the assumption that this is agreed upon in the naval bill.—A. This appears to provide for competition; it does provide for it; it merely settles the time.

Q. Right there, is the time fixed there, October 1; would that necessarily shut out competition so that the Electric Boat Company would be the sole competitor?—A. I do not know of any other vessel that wants to try conclusions; all we can do is to furnish boats, we can not furnish competitors. I see by the public press the Lake boat recently ordered is going to have another trial to-day. Mr. Lake says he has improved his boat very much and hopes to be able to bring her up. I understand he is to have such trial to-day or to-morrow.

Q. The boat already in existence?—A. Yes; that is the only boat I know of that is in existence, and that statement I would like to

have put in. It merely refers to that trial. If you ask me whether it is possible to build a new vessel in that time I should say "No, sir, it is not."

The CHAIRMAN. The stenographer will identify the newspaper clipping as the only information the witness bases his information about the Lake boat on.—A. All I can say about it is, nobody could possibly draw any inferences from it as to what the Secretary would have to pay per ton for any boats. It is entirely for the Secretary to make the boats as big as he wants to and the price of the boat. If any vessel appears by October 1 which he has proof by actual trial to be as good or better it goes in.

(The press clipping referred to is as follows:),

LAKE SUBMARINE BOAT TO BE TRIED TO-MORROW.

Another trial will be given the Lake submarine torpedo boat in Long Island Sound off Bridgeport, Conn., to-morrow. A naval board, headed by Captain Marix, and of which Captain Marsh, chief of the torpedo division of the Bureau of Navigation, is a member, left Washington early to-day for Bridgeport to conduct the trial.

This boat was entered in the competition at Newport last summer, when the naval board decided that the *Octopus* type, built by the Electric Boat Company, was better suited for the Navy. It was claimed by Simon Lake that his boat was operated under adverse circumstances, and it has been improved since that time. He requested the Navy Department to give the vessel another trial off Bridgeport.

It will be recalled that it was alleged by Mr. Lake several weeks ago that there was a plot to damage his boat and prevent the trial. It was further alleged that his boat was damaged to an extent, but it is now ready for demonstration to-morrow.

The Lake Company recently signed a contract with the Navy Department to construct a boat superior to any now in the service on condition that if it is not superior the Government is not compelled to accept or pay for it.

Q. He would either have to get your boat or go without a boat?—A. No, I think not, in that case he could fix what he wants in the way of displacement and we will have to agree on the price; he is perfectly protected. If we can not mutually agree on the price—already made agreement on price—it is like any other matter of that sort, we would have to agree; it does not direct the Secretary to pay any particular price for any particular boat or pay so much a ton.

Q. You have not yet agreed on the price?—A. With the Secretary.

Q. Yes.—A. For this?

Q. Yes.—A. There is no provision of law. We have agreed under the last law, which I understand was drawn more or less the same way; the price is settled practically with the Board on Construction, technical experts, and the Secretary follows their recommendation in that matter. I have never known him to depart from it.

Q. If the law should pass in your favor and no other boat should develop so as to successfully compete with yours by the 1st of October?—A. Yes.

Q. Then the Secretary will have to accept whatever terms you are willing to accede to, or else go without boats?—A. We would have to come to an agreement, yes, sir.

Q. If you could not come to an agreement with him, you could not make any boats?—A. I think we would always come to an agreement rather than not make boats; we have to make a living, and I am inclined to think we would come to an agreement. We would have to agree on the price; if we did not he would not give us an order.

Q. If you do not agree to his price, you would not get any boats?—A. That is it. That is what we did the last time; he did not agree to our price; we agreed to his. We thought we ought to have a little more and he thought we should not. We could not persuade him and we finally agreed to his price.

Q. Mr. Lilley has said in substance the reason of competition, or want of competition, was because it was a newer boat. What do you say as to that?—A. That is a matter that has been passed upon by the trial board and the Department, because they reported that the type of boat as represented by the *Octopus* was superior to the type of boat as represented by the *Lake*. In other words, not only was the boat superior, but that the type is superior to the other. It eliminates the question of the age of the particular boat. Now, as a matter of fact, the trial performance made by the *Lake* in this particular case was not equal to the trial performance made by the vessel of about half the displacement of our type some three or four years ago. The *Fulton*, for instance, made the speed on the surface and submerged. The *Fulton* was a vessel five or six years antedating the *Lake*, much smaller displacement. The board disposed of that question when they settled the question of type. I may say the difference between the vessel was very important; it was not a trifling superiority on the part of the *Octopus*. For instance, in the matter of percentage; surface speed under engines, 45 per cent; submerged speed with satisfactory control, 100 per cent; structural strength and safety as demonstrated by submergence test, 60 per cent; number of torpedoes, 33 per cent; time required to submerge, 54 per cent; stability submerged, 72 per cent; surface radius of action, 100 per cent; submerged radius of action, 350 per cent. Those are matters which can be reduced to figures.

Q. What per cent of difference did you make in your target practice?—A. I do not remember that exactly; we had a bad lot of torpedoes. What the board was after was to test the efficiency of the boat and the apparatus; we did not care whether we hit or not. I think we made about 50 per cent. The torpedoes were old, not modern type.

Q. Did you hit anything?—A. Oh, yes; I don't remember what we hit in the trials, but we made a great many hits afterwards. Those matters are all matters of record.

Q. Where can we find that record?—A. Navy Department, sir. I think you will find the record of the shots which they made on those boats.

Q. Were hits made by the Lake boat also?—A. I think it is the only official trial of the Lake boat. I think we did not either of us hit very much at Newport; that was not what we were after. It was not very important there to hit anything; that was not the condition.

Q. What was the important thing, diving and coming up again?—A. Yes. The trial is to see whether the apparatus is all right, and will properly eject a torpedo under water. It was known that the torpedoes were old and we could not rely on them for work.

Q. I thought you said you had some data you wished to submit.—A. If you will permit me, this statement is a brief synopsis of fact relating to the action of Congress and of the Navy Department in connection with submarine boats since the beginning, and it is too long, I think, for me to read under the circumstances, and every fact

in it is taken from official documents and references made, and I would like to have it go on the record.

Q. As part of your testimony?—A. As part of my testimony. The effect of it is to show that we have never suppressed competition or that we have never received legislative or Department favors; never received an order from the Navy Department except as the result of actual successful competitive demonstration, nor never had an order from the Department that did not result from competition, either in plans and boats, or where it was only a matter of plans we won, and a matter of boats we won. This gives a complete history of the transaction, which I would appreciate very much if it could be put on the record.

The CHAIRMAN. You wish to have that included as part of your sworn testimony?

A. Yes, sir.

The CHAIRMAN. As on your own authority?

A. Yes, sir.

The CHAIRMAN. There is no reason why that should not be included in the statement of the witness, that he wishes it to be considered as part of his evidence. The stenographer will insert it in the evidence at this point.

SYNOPSIS OF FACTS RELATIVE TO THE ACTION OF CONGRESS AND THE NAVY DEPARTMENT IN CONNECTION WITH SUBMARINE BOATS.

The official records of the Congressional and Navy Department's action show that in providing submarines for the Navy there has been continuous and effective competition, and that the Holland Torpedo Boat Company and the Electric Boat Company have earned every contract which they have received from the United States Government by actual meritorious performance, and in no case by favor, either from the hands of Congress or from the Navy Department.

The records also show that since the beginning these companies, in carrying out their contractual responsibilities with the United States, have always exceeded the requirements laid down in their contracts.

The real history, far from showing anything derogatory to these companies or their products, shows that the development of the submarine boat into a practical and effective weapon of war has been due almost entirely to the unflagging and honest efforts of these companies extending over a period of years and involving very large expenditures of capital for development and experimental purposes.

The act approved March 3, 1893, appropriated $200,000 for the building of a submarine torpedo boat and the conducting of experiments therewith. At the time of the passage of this act there was not in existence any submarine torpedo boat; therefore the selection of a type developed upon the Navy Department, which, in order to secure the best possible, held two open competitions of plans, open to every inventor or designer of a boat, and in which, as a matter of fact, all inventors of any known prominence took part, including, besides Mr. J. P. Holland, Mr. Nordenfeldt, Mr. Baker, and Mr. Simon Lake.

The technical authorities of the Navy Department selected the Holland design and eventually entered into a contract in March, 1895, for the *Plunger*. This contract was, of course, based entirely upon plans, and the construction was carried out in the usual manner under Navy Department contracts involving approval by the Department of every single detail.

The act of June 10, 1896, authorized the Department to contract for two additional submarine boats of the Holland type at a cost not exceeding $175,000 each, provided, however, that the boat—that is, the *Plunger*—then under construction for the Department should be accepted by the Department as fulfilling all the requirements of the contract and as being satisfactory to the Secretary of the Navy. The act provided further that no action of any sort should be taken by the Department until after this vessel had been fully tested to the

satisfaction of the Navy Department and thereupon accepted—that is, this authorization could only take effect after the satisfactory completion and test of the design selected in competition by the Navy Department.

As the construction of the *Plunger* proceeded the company became convinced that the design as finally agreed upon between the Navy Department and the company would not result in the best possible boat and would further not satisfy the rigid requirements of this contract made at the time when the Navy Department had no authentic information or experimental knowledge as to the actual possibilities of this type of vessel.

As soon as the company became convinced of this it undertook the construction of another vessel out of its own private capital and without connection with or aid from the Navy Department or the Government. The design of this second vessel, subsequently named the *Holland*, was radically different from that of the *Plunger*, which was under construction for the Government. The object of this procedure was to have an entirely free hand in the design of the vessel and to produce for the purpose of a practical demonstration the best submarine possible at that time. This vessel, the *Holland*, was completed in 1898, and after numerous private experiments and changes was submitted to the Navy Department for trial, and after further modifications and experiments finally succeeded in an official public trial in fulfilling the requirements laid down by the Navy Department.

The practical success of this vessel was a matter of common public knowledge, and was reflected in the provision of law in the act of March 3, 1899, which, referring back to the act of June 10, 1896, amended that act so as to make it discretionary with the Secretary of the Navy to contract for two boats similar in type to the demonstratively successful boat *Holland* instead of the probably unsuccessful boat the *Plunger*.

So much interest was awakened by the performances of the *Holland* that the company deemed it best to bring the boat to Washington in order to afford an opportunity for Members of Congress and officers of the Navy Department to see it in practical operation. A series of public exhibitions were given in the spring of 1900 while the boat was still the property of the company. These exhibitions were witnessed by many Members of Congress and the Naval Committees thereof and many officers of the Navy, including Admiral Dewey, who at a public hearing before the Committee on Naval Affairs of the House strongly recommended an appropriation that year for 20 more of these vessels, and, among other things, testified that if the Spaniards had had two such boats at Manila he could not have held that harbor with his entire fleet. His testimony was supplemented by other officers of high standing, among whom were Admiral Philip Hichborn, at that time Chief of the Bureau of Construction and Repair.

As a result of the performances of the *Holland* and of the recommendations by high officers in the Navy Department who had witnessed these performances the naval appropriation act for that year, approved June 7, 1900, provided for the construction of five torpedo boats of the *Holland* type. It was directed that the boats should be built in accordance with plans and specifications submitted by the company for larger and faster boats with many improvements over the *Holland*.

Up to this moment there was no possibility of an actual competition in water between boats of different types, as no other company than the Holland Company had seen fit to invest its private capital in the actual construction of a vessel which it was willing to submit for test by the Department.

Nevertheless the Holland boats provided for by this appropriation were the direct result of the only possible kind of competition which could be held at that time, namely, competition between designs furnished by different inventors, and even this competition would have resulted in a failure and in no development of the submarine boat had not the Holland Company elected to invest and risk its own private capital in the production of a boat with no contract with the Government for its construction and no assurance of its eventual purchase.

The situation then existing as the result of the acts of 1893, 1896, 1899, and 1900 was briefly as follows:

The Navy Department had authority to purchase or contract for eight submarine torpedo boats, every one of which was the result of competition, and such authority was predicated absolutely on the successful trial of an actual vessel, the *Holland*. Under this authority the Secretary of the Navy purchased the *Holland* for $150,000, a sum very materially less than the cost of production of the boat. The contract for the original *Plunger* was canceled, and the sum that had been advanced to the Holland Company on its construction was re-

turned to the Treasury of the United States. Contracts were awarded for seven vessels additional to the *Holland*, being as follows: The *Adder*, *Moccasin*, *Grampus*, *Pike*, *Porpoise*, and *Shark* and a new *Plunger*. All of these vessels were of almost double the displacement of the *Holland*, were much faster, and contained many other improvements. No vessel was therefore ever purchased from the Holland Company until it had actually demonstrated the success of its type.

These seven vessels were completed and delivered to the Government in the fall of 1902 and spring of 1903, and each and every one of them exceeded every requirement of its contract, as is shown by the official reports of the Navy Department.

No further appropriation of any sort was made for submarine boats until after the trials and acceptance of the first two of these vessels.

In the meantime the Lake Torpedo Boat Company had undertaken the construction of a vessel of its type, which was eventually called the *Protector*. This fact was brought to the attention of Congress and the Navy Department, and in the Naval appropriation act of March 3, 1903, a provision was inserted authorizing the Secretary of the Navy to contract for or purchase submarine torpedo boats to an amount not exceeding $500,000, but providing specifically that prior to any purchase or contract competitive or comparative trials should be held between any boats submitted by private owners, or between such boats so submitted and the best boat owned by the Government. The act further provided that before any boat was purchased or contracted for it should have been accepted by the Navy Department as fulfilling all reasonable requirements for submarine warfare, and should have been fully tested to the satisfaction of the Secretary of the Navy. In other words, the moment that any other company than the Holland Company had the enterprise to build a boat which they stated they were willing to submit for trial Congress immediately provided for actual competition in the water.

At the subsequent meeting of Congress the act of April 27, 1904, merely increased the amount of appropriation from $500,000 to $850,000, and made no other change whatsoever in the provisions of the act of 1903.

Simultaneously with the construction of the *Adder* class for the Government the Holland Company constructed out of its own private capital an additional vessel, named the *Fulton*, which it used experimentally to determine the best features to incorporate into the Government boats. Therefore after the enactment of the law of 1903 the situation was as follows:

The Holland Company had in its possession, built by its own private capital, the *Fulton;* the Lake Company had in its possession, built by its own private capital, the *Protector*. The *Fulton*, however, had been out of commission for over a year, and considerable time was required to prepare the vessel for trials and to incorporate into her improvements and developments which had been designed by the company.

Under the authority of these two acts both companies requested that their boats be tested, and the Department prescribed such tests.

As soon as the *Fulton* was ready for test, the Holland Company having complied with every requirement of the Navy Department, the tests were held in June, 1904. The Lake Company, however, for reasons best known to itself, withdrew its vessel from this test, and never did submit it to a test by the Navy Department.

These tests were of an exhaustive character, and the board which conducted them reported that the *Fulton* fulfilled all reasonable requirements of submarine warfare, and it recommended, in accordance with the provisions of the statute, that contracts for similar but enlarged and improved vessels should be entered into with the Holland Company. The programme proposed by this board of experts was well defined and practically specified the displacement and other qualities which should be required to be produced by the Holland Company in new boats.

As the result of this competitive trial and the report of this board the Department finally, in March, 1905, entered into a contract with the Electric Boat Company for four submarine torpedo boats, namely, the *Viper*, *Cuttlefish*, and *Tarantula*, all of which were larger and faster than the previous vessels, and the *Octopus*, which was a still further development, larger and faster and more improved than the others.

Notwithstanding the completion of this test in June, 1904, the contract was not entered into until March, 1905, because of protests made by the Lake Torpedo Boat Company, who had declined to agree to an essential requirement laid down by the Navy Department, namely, that each competitor before entering

his boat should agree to be bound by the result of the trial, and had for that or some other reason withdrawn its boat, the *Protector*, from trial.

In spite of the unfavorable showing by our competitor, the Navy Department deferred action and permitted the Lake Company to build another vessel for submission for these tests. It was not until a second vessel was finished and the Lake Company had again declined to agree to be bound by the results of the trials that the Navy Department gave to the Holland Company any contract. In making this offer to the Lake Company the Navy Department agreed to extend the time for the preparation of the vessel many months beyond that asked by the Lake Company, provided only that it would submit the certificate which the Holland Company had submitted, as required by the Navy Department, that the vessel when finally submitted would be ready for trial, and that the Lake Company would abide, for the purpose of this competition, by the result thereof.

The history of this transaction in the Navy Department under these acts will be found in a letter dated December 7, 1904, from the Secretary of the Navy addressed to the Lake Torpedo Boat Company. This document, together with all other correspondence and data on the matter, was transmitted to the House Committee on Naval Affairs by the Secretary of the Navy's letter of February 14, 1905, and will be found reproduced in House Document No. 75, and supplement thereto, for that year.

These vessels—that is, the *Viper* class and the *Octopus*—had their official trials in the summer of 1907, in which they exceeded, as shown by the official report, every requirement of their contract. Orders for them were, as noted above, secured by the Electric Boat Company as the direct result of a competitive trial open to all, and for the second time won by a vessel built from the private capital of that company without Government aid.

In 1905 Congress made no appropriation for submarine vessels, but in 1906 a law was passed (act approved June 29) authorizing the Secretary of the Navy to contract for or purchase additional submarine torpedo boats to an amount not exceeding $1,000,000, after such tests as he might see fit to prescribe to determine the comparative efficiency of the different boats for which bids might be submitted, provided that such tests should take place within nine months from the date of the passage of the act.

The Electric Boat Company had completed within that time the *Octopus*, which was offered to the Navy Department for trial under the provisions of that act. The Department, however, declined to conduct these tests at the time the vessel was offered, and recommended to Congress that the test period be extended two months in order that the trials could be held under more suitable weather conditions. This recommendation met the approval of Congress and was incorporated in the act approved March 2, 1907, and aside from extending this test period this act increased the amount of appropriation available to $3,000,000 and further declared that after such trials "no part of the appropriation to be expended for any boat that does not in such test prove to be equal in the judgment of the Secretary of the Navy to the best boat now owned by the United States or under contract therefor."

Under these provisions of the law of 1906 and 1907 the Lake Company submitted for test a boat of their type called the *Lake*, and the Electric Boat Company submitted for test a boat of its type named the *Octopus*. These trials were held at Newport during the month of May, 1907, by a specially appointed board of officers, known as the Marix Board. This board was appointed by Secretary Bonaparte, who, in his annual report to Congress for the year 1906, said it was a board of especially competent officers, and that in selecting the officers for the board the Department had been at pains to choose only those who had had no previous service in connection with the trials and contracts for submarine boats. This was because the Lake Torpedo Boat Company had in communications to the Navy Department attacked the integrity and fairness of officers who had conducted previous trials. The report of the board as to the relative merits of the different types was as follows:

"OPINION.

"It is the unanimous opinion of this board that the *Octopus* is the superior boat presented for tests; and furthermore, that she is equal to the best boat now owned by the United States and under conract.

"The board is also of the opinion that a boat generally similar to the *Octopus*, but larger, would be a superior naval weapon."

Subsequently the Department instructed the board to reply to the following additional question:

"1. Do the trials conducted by the board show that the type of submarine boat represented by the *Lake* is superior, inferior, or equal to the type represented by the *Octopus*? Specify in what respects."

The board answered this question as follows:

"1. That the type of submarine boat as represented by the *Lake* is, in the opinion of the board, inferior to the type as represented by the *Octopus*.

"2. The closed superstructure of the *Lake*, with the large flat deck, which is fitted to carry water ballast and to contain fuel tanks and air flasks, which is an essential feature of the *Lake* boat presented to us for trial, is inferior to the arrangements on board the *Octopus* for the same purposes, and also is, in the opinion of the Board, detrimental to the proper control of the boat.

"3. The hydroplanes, also an essential feature of the *Lake* boat presented to us for trial, were incapable of submerging the boat on an even keel. They are therefore regarded as an objectionable incumbrance."

This report was referred to the highest technical authority in the Navy Department, the Board on Construction, which, according to the report of the Secretary of the Navy to Congress for the year 1907, reported to the Secretary that the report of the Trial Board was complete and conclusive, and that it concurred in the opinion of the Trial Board already quoted.

Further details with regard to this matter will be found in the annual report of the Secretary of the Navy for the year 1907, pages 12 to 15, inclusive. Thus for the first time in the history of the art our competitors, the Lake Company, actually submitted a boat for competition in the water. The difference in the performance between the two vessels was so enormous as to lead this technical board and the Board on Construction to the official statement that not only was the *Octopus* superior to the *Lake* as a boat, but that the type as represented by the *Octopus* was superior to the type as represented by the *Lake*, which is specifically condemned by the report.

While the great superiority of the Electric Boat Company's type over the Lake Torpedo Boat Company's type is perfectly apparent from the records to any technical mind, yet, for the purpose of expressing it more clearly to one who has no technical knowledge, the following table of percentages perhaps will be useful. Substantially accurate knowledge is available as to the results of the trials, and these show in percentages the superiority of the *Octopus* over the *Lake* in the following respects:

	Per cent.
Surface speed under engines	45
Submerged speed with satisfactory control	100
Structural strength and safety as demonstrated by submergence test	60
Number of torpedoes	33
Time required to submerge	54
Stability submerged	72
Surface radius of action	100
Submerged radius of action	350

As a direct result of this competition the Secretary of the Navy awarded contracts to the Electric Boat Company for 7 boats, 4 being of the same size and other qualities as the *Octopus*, and 3 being enlarged and improved examples of the general type.

The orders here mentioned, including this last one, which was also the direct result of a competition, cover all orders which have ever been received by the Holland or Electric Boat Company from the Government.

As a result of the declaration of the Marix Board and of the Board on Construction that the Electric Boat Company's boat was superior and the Lake type inferior, the Secretary of the Navy recommended to Congress in 1907, that it authorize him to contract for additional submarine boats "of the same type as those recommended as the result of the recent competitive tests, provided a more satisfactory type is not developed in the meantime."

This language of the Secretary of the Navy is in strict accordance with the policy of this Government both in its legislative and administrative Departments, which is and has been that the work of building up this department of our Navy shall not be delayed and hindered by the consideration of inventors' dreams, but that the Government shall proceed to add a number of these vessels

from time to time, selecting at each time the best type that has been demonstrated up to that time by actual trial.

The situation above described has never presented an opportunity for the formation of an enduring monopoly of any character whatsoever, and if it should appear that a temporary monopoly has ever existed, it was clearly a monopoly of merit and free from any element of offensiveness or of danger to the public interests.

The CHAIRMAN. Does any Member of the House of Representatives think that any question will come up which he desires to ask this witness in the future after he reads his testimony?

Mr. LILLEY. Yes.

The CHAIRMAN. Before taking a recess the chairman would state that Mr. Lord and Mr. Erly are both here. I understand they desire to testify on their own suggestion. They have not been subpœnaed, and their evidence will be taken this afternoon, also at the same time the testimony of Captain Hobson, who said he wished to be examined for a few minutes. These three witnesses then will be examined immediately after recess and you could be here, Mr. Spear?

Mr. SPEAR. I think so, sir, as far as I know now.

The CHAIRMAN. There is nothing more then that anyone desires to ask you to-day, but will you hold yourself in readiness to come before the committee, for instance, upon twenty-four hours' notice?

Mr. SPEAR. Yes, sir.

The CHAIRMAN. That we understand, then, is the testimony of the witness for the present, and the three witnesses that have been named will be examined this afternoon, and the chairman might state here what I think is thoroughly understood by all the witnesses and counsel for witnesses who have been present, that the fullest and most comprehensive latitude in cross-examination, if such it can be termed, of all witnesses will not only be permitted but encouraged by the committee, and no questions will be withheld on account of their seeming irrelevancy. It must be left to this committee to determine upon examination afterwards what testimony is relevant or can be considered in making up its report, and no witnesses in testifying so far as the committee can control the conduct of witnesses, no witness in testifying can withhold any information as merely irrelevant or not connected with this investigation. And, finally, that any statements that any witness desires to make that are not brought out in examination or cross-examination will also be received by the committee and be considered by them in making its report. Witnesses and counsel will understand that an investigation of this sort differs in many material respects from any legal or court proceedings, and the committee are determined to examine every witness who has any knowledge bearing upon the subject that has been referred to the committee, for the committee proposes that the examination shall be of the most comprehensive character and that all information possessed by witnesses bearing directly or indirectly on the scope of this committee's authority shall be given. The committee will now take a short recess until 2.30 o'clock p. m.

(Thereupon the committee took a recess until 2.30 o'clock p. m.)

HOUSE OF REPRESENTATIVES,
SPECIAL COMMITTEE APPOINTED UNDER H. RES. 288,
Tuesday, March 17, 1908.

AFTERNOON SESSION.

All members were present.

TESTIMONY OF FRANK B. LORD.

The CHAIRMAN. Mr. Olmsted, will you conduct the examination?

FRANK B. LORD, being first duly sworn, on being examined, testified as follows:

By Mr. OLMSTED:

Q. Where do you live?—A. Washington.

Q. How long have you lived here?—A. With the exception of one year, I have lived here since 1894—fourteen years.

Q. Are you in the newspaper business?—A. I am.

Q. What paper do you represent?—A. Until recently and in the past two weeks I was with the Washington bureau of the New York Sun.

Q. Are you now in the employ of that company?—A. I am not.

Q. What occasioned the severance of your relation?—A. The charges made against me by Mr. Lilley, regarding which I would like to make a statement to the committee, covering the entire situation and the circumstances which brought about his charges.

Q. Make the statement in your own way.—A. Mr. Lilley has charged me with being one of a corps of Washington correspondents who have been flooding the country with what might be called, I suppose, tainted news. He refers to it as matter which has been colored with reference to submarine matters. I suppose a better word than tainted news would be tinted news, perhaps. But the circumstances are these: Mr. Lilley introduced his resolution for an investigation of the methods of the Electric Boat Company in the House, if I remember correctly, on February 20. I wrote a story about that resolution and followed it up with a story of the submarine controversy as I knew it by reason of the fact that during the recess of Congress for nine months I had been employed by the Sun at the Navy Department, and that was one of the matters which was up from day to day. It was one of the controversies before the Navy Department. The matters in the Department were matters of news. I wrote a story about it when the resolution was introduced. That night Mr. Oulahan handed me a handwritten interview purporting to have been with Mr. Lilley. He said it had been turned in to him by a young man whom he did not know except by name.

Q. Can you give the date of that?—A. That was on the night of February 22. He asked me if I knew anything about it. I said I I did not. We read over the interview and discussed it. Among other things it stated that the battle ship *Vermont* had been launched last August and was now obsolete, and there were several other statements in there which we both knew to be incorrect or supposed to be incorrect, and he said: "What about this?" I said: "Mr. Lilley is a member of the Naval Committee and he certainly knows that that

statement is not correct, and as a matter of fact the battle ship had been in commission for six months, and this stuff stated the battle ship was launched in August." He said: "You better take this down to the New Willard and see Mr. Lilley and ask him if he stands for this interview." I did so. When I started out, he said: "Find out from Mr. Lilley what his charges are, what he bases them upon. This resolution says nothing except to investigate the methods of the Electric Boat Company."

Q. Have you a copy of that interview?—A. I have not myself. It may be in the Sun office, or it may have been destroyed.

Q. I mean the one you took from Mr. Lilley.—A. I had a copy of it, and it may be in the files of the Sun office, or it may be destroyed. Copy is frequently destroyed after it is put on the wire. He said: "Find out from Mr. Lilley what his charges are, get something definite from him." This story is rather indefinite." I said: "Very well," and went down to the New Willard. I met Mr. Lilley directly in front of the desk. He was apparently just breaking away from a gentleman with whom he had been in conversation. I walked up to him and he greeted me very cordially, and I said: "Are you busy, Mr. Lilley?" He said: "I am only busy in going to bed." I said: "I will not detain you but just a moment." I am going into the details of this in order that it may be explained fully. With that I reached around in my hip pocket, and I had the copy in my hip pocket, and he said: "You are not going to shoot me, are you?" laughing, and I said: "No, nothing quite as bad as that." I said: "I have here an interview which was turned in at the Sun office and I want you to verify it." Then we walked over to a writing desk in the lobby apart from anyone else. There were a number of people in the lobby, but we walked apart from them. I said: "This was turned in at the Sun office by a man who is not a member of the Sun staff and I would like to get you to verify it," and I called his attention to this matter of the *Vermont*. He said: "That is all right." I said: "Surely you do not mean this, Mr. Lilley?" He said: "I have got a son on the battle ship, and I think I ought to know more about it than you do." I said: "Surely, I know that the battle ship *Vermont* has been in commission for fully six months, and you say here it was launched last August." He says: "That is a mistake; I did not say 'launched', I said 'commissioned.'" I changed that word, then I handed the copy to Mr. Lilley. He went over it, struck out a paragraph or two and made some changes, and handed it back to me. He said: "Now, that is all right. I will stand for that." We sat there and discussed the matter for perhaps five minutes. He told me of things that occurred in committee while the submarine proposition was up, what he had said when the resolution was offered, and a number of things. Then I said to him: "Mr. Lilley, do you really think that your resolution will be reported by the Committee on Rules?" He said: "I will tell you these damned submarine people have been contributing to both political campaign funds. Jim Sherman is in the graft, and he is a member of the Committee on Rules." I might have suggested that he was a member of the Committee on Rules, and he said yes; and that "Jim Gregg has got his; he has fixed or will fix John Sharp Williams and De Armond." And then he shrugged his shoulders, and said: "You can draw your own conclusions as to what show my resolution has got."

He went on to say: "If it is not reported there is going to be another installment of this thing. This is only the first one. There are 13 members of that Committee on Naval Affairs that I want to get on the witness stand and show up what their interest is in this matter." Then he went on to say about having them produce their books. I inferred that he meant the Electric Boat Company. Then I went on to draw out of him, if possible, who the 13 were, and I suggested the name of Mr. Padgett, that he had not favored the proposition, and he said, "No," that he believed Mr. Padgett had not. And I said: "How about Hobson?" "Well," he said, "I think Hobson is all right." Well, we discussed it for a moment or two longer and I got up and left. I went up to the office, and it was then about 11 o'clock, I think, perhaps not quite 11, but pretty near, and the story had already been written. The wire was crowded, it was late, and the paper goes to press at 12 minutes before 12. I turned in the interview which he had corrected and that followed the story which had been previously written. I did not write anything further than that, because it was late, and the story had already been sent, and the wire was crowded, as I say.

The next day it was my duty to follow up the story of the investigation. I wrote a story about it. I saw a number of the press committee, talked with them about it, and I wrote a story, and in that story I included what Mr. Lilley had told me the previous night. That story was printed in the Saturday morning's Sun. It was also printed in the Washington Herald of that morning. The Washington Herald gets the service of the New York Sun. That story was printed Saturday morning. The House of Representatives was in session that day. Mr. Lilley did not, as he had a right to do, rise to a question of personal privilege in the House and denounce the story. I have been told that he talked about the affair—about the subject, but he did not come to me. I was on the floor of the House both before the session began and during the sessions that day. He did not come to me and ask for a retraction or why I had written, or anything of that kind. Along about the middle of the afternoon Mr. Griggs went to him or sent word to him or something of that kind, and asked him how about it, and he denied it, and Mr. Griggs then came to me, and we were joined by Mr. Sherman, and I think Mr. Adamson, of Georgia, and Mr. Lilley proceeded again to deny the story, and in that denial I want to state that Mr. Lilley stated what he knew was absolutely, unqualifiedly, and deliberately untrue, for he said every word that was printed. Then he took occasion to charge me with being in the employ of the Electric Boat Company, in the presence of these gentlemen whose names I have mentioned.

Now, I am perfectly willing—that comes up to the point of the charge of my being in the employ of the Electric Boat Company, and I want to say that I am not now and never have been in the employ of the Electric Boat Company. I have written some stuff for Mr. McNeir—some feature stuff. I have prepared some literature. I am in the newspaper and literary business and I have written some stuff for him. I am perfectly willing that the committee shall see anything that I have written, and I can submit perhaps what might be called the principal stuff that I wrote for him, and I want to say, further, that I challenge Mr. Lilley right now, or any of his friends *of the Lake* Boat Company, or anyone else, to produce a single story

that I have ever written for any paper that I represented regarding submarines that was not based absolutely upon an official report or the statement of an official, or the facts from examination in a position to know. Furthermore, it was absolutely impossible for me to have written any prejudiced or biased or colored stuff and get it printed in the New York Sun. I was not the head of a single bureau in Washington. Every line of copy after I wrote it was subject to the blue pencil and the editing of the man in charge, and if he did not like it he could do whatever he saw fit—if he did not like the whole stuff he could throw it in the waste paper basket. I had absolutely no power to get any biased or prejudiced statements in the New York Sun or in any other paper, and I have never done so. I am perfectly willing for Mr. Lilley or anyone else to produce every story I have ever written for the New York Sun or any other paper I have represented that was at all biased in the matter of submarines. I do not say upon other subjects I have not written what perhaps might be called colored stuff. Last fall I went with President Roosevelt on his trip down the Mississippi River. I was one of many correspondents who accepted the hospitality of the Commercial Club of St. Louis, that was very much interested in a deep waterway. I went down on the boat from St. Louis to Memphis. I am only giving you this as a sample of what colored stuff may be. And all the correspondents were wined and dined by those people, and I am frank to say that I wrote some stuff——

Q. By what people?—A. The Commercial Club, I think it is. I am frank to say that I wrote some stuff that was very favorable to a 14-foot water channel and I have never heard Mr. Burton, whom I understand is not entirely in accord with that proposition, charging me with being in their employ or being subsidized by them. I went further down, into Mr. Broussard's——

Q. Have you heard of anybody else who was on that trip being influenced on their passage by those people or by the entertainment that was provided?—A. None whatever. I went down farther, into Mr. Broussard's country, into a hunting camp, and when news of the bears was rather scarce I wrote some highly colored articles about Louisiana, about the cotton and the timber and niggers and a whole lot of other things, and that matter, I admit, might have been highly colored, but there was no subsidies for it and nobody has charged me with being subsidized. I think Mr. Lilley unwittingly pays me too high a compliment when he says I can get a colored or biased statement printed in the New York Sun.

Q. Has Mr. Lilley made that charge?—A. I read in his testimony that I am one of the men whom he has charged with preparing or writing colored articles, and that I was on the New York Sun. In the first place, I write news and not argument. You can not get argument into a news story, at least in the New York Sun, and if Mr. Lilley's knowledge of the newspaper business were as great as his apparent ignorance on the submarine question, he would know that. News is news, and argument and editorials are something else.

I want to tell you about my work for Mr. McNeir. I have written some literature for him. I want to give you an instance of that which is probably the most notable instance. Along during last summer some time Mr. McNeir came to me and said that some newspaper, and he mentioned two or three whom I knew to be Washington corre-

spondents, had asked him for feature stories about submarines, and he asked me if I would not get him up something, and he gave me some details, and I went to considerable labor and trouble in writing what I thought was a fair Sunday magazine feature story. I wrote it over two or three times, and I gave it to him. It was a story of submarines as a type of naval defense. The theme of it was a realization of Jules Verne's dreams, and that story I think I can get a copy of, although I do not know that I ought to be particularly proud of my literary effort, yet I am perfectly willing that the committee should read the story and determine whether it ever influenced any Member of Congress. I think I would be perfectly safe in offering a reward for any Member of Congress who ever read it. I turned that story over to Mr. McNeir, and at times I have prepared other literature for him and have done other work. While I was employed by the New York Sun to cover stated work in the Navy Department during the the recess of Congress at one time I remember getting considerable data and information about warships for him, and the matter of submarines was only incidental to that. That was included in all the data which I got for him. I did not know what he wanted it for, but I turned it over, and that was a perfectly legitimate employment. I got it when I was not busy with other work up at the Department. And as far as any stories I have ever written for him, I have written them as a side line, the same as I would prepare this story which I have referred to here as a Sunday magazine story. I wrote the story in the same spirit and with the same feeling that I would write any magazine story or press syndicate story which I had been asked to write.

It was not printed in the New York Sun; it was not offered to the New York Sun; it was not prepared for the New York Sun or any paper that I represented. It was simply a feature story, and I think I perhaps prepared some other stories for him, but none for any paper that I represented. And I want to say further that neither Mr. McNeir or any officer of the Electric Boat Company has ever prepared or dictated or suggested any story I have ever furnished to or printed in any paper which I represent.

Q. What did you do with the copy; when you have written a story what do you do with it?—A. What have you reference to?

Q. The copy that you wrote for Mr. McNeir.—A. I turned it over to him.

Q. It was then published afterwards; it was published by him and not by you?—A. I do not know what he did with it. I did not publish it in any paper that I represented. I saw it printed.

Q. Did you deliver it to any newspaper for publication?—A. I did not deliver it to any newspaper. I might have given it to two or three men. I know that he suggested some that he thought wanted to have it, and in two or three instances he suggested two or three men that he wanted to have the article, and I gave it to them, I think.

Q. At the time of this interview which you did write and which was printed in the Sun, were you at that time in the employ or in the pay of either the Electric Boat Company or Mr. McNeir?—A. What interview have you reference to? The interview with Mr. Lilley?

Q. Yes.—A. No; in no way, shape, manner, or form.

Q. In that interview as printed there occurred this: Mr. Lilley was asked, "Were they all Republicans?" He replied: "Not by a long

shot. Every Democrat except two has been a friend of this company in season and out, and it has just as many friends among the Republicans. In fact, they are nothing more than so many traveling salesmen and they know it." I ask you whether you wrote that?—A. I did not. If you will indulge me, I think that interview appeared in the New York World; it was not in the Sun's story. That was not my interview, and the files of the New York World will bear me out in saying that was in the New York World.

Q. I am reading from page 9 of the report presented by the Committee on Rules:

Mr. DALZELL. This is in the Lord interview: "Were they all Republicans?" Mr. Lilley was asked. "Not by a long shot," he replied. "Every Democrat except two has been a friend of this company in season and out, and it has just as many friends among the Republicans. In fact, they are nothing more than so many traveling salesmen, and they know it."

A. There is a misunderstanding on Mr. Dalzell's part. He evidently had the interviews confused. I remember seeing that in the New York World, and Mr. Wolley is here, and he will verify me in that.

Q. Mr. Lilley immediately said: "That is not my interview."—A. That is on a par with what he has done before in denying other interviews.

Q. But you say you did not say anything of that kind in the interview?—A. No, I did not write that.

Q. I also note this on page 9 of the report of the Committee on Rules:

Mr. DALZELL. You know the New York Sun interview?
Mr. LILLEY. Last Saturday?
Mr. DALZELL. Yes.
Mr. SHERMAN. He has already repudiated that.
Mr. LILLEY. Absolutely.

A. He repudiated it after Mr. Griggs went to him and demanded an explanation.

Q. You now say that Mr. Lilley did say to you everything which was printed in the New York Sun in that article?—A. Yes, absolutely. While there was no one present at that time I have it upon the word of reputable men, Members of the House, that Mr. Lilley has made a similar statement in the presence of at least two Members of Congress.

Q. Who are they?—A. I have never consulted them myself, and this information came to me through another Member of Congress. I do not know whether they would want to be dragged into this matter or not, but my information, which came through a Member of Congress——

Q. Who was he?—A. I do not know that he would want—I did not talk with him about this matter. I do not know whether he sent the information to me or not, but another newspaper man with whom he had talked told me. That is, that this third Congressman knew that two other Members had heard Mr. Lilley say in effect that these submarine people had been contributing to both campaign funds—that they bought the Republicans through Sherman and the Democrats through Griggs—and that they owned both parties.

Q. Mr. Lilley desires me to ask you who the men are that said that—A. I do not know that I ought to say, because I have not discussed the matter with any of these three gentlemen.

Q. Who was it that told you?—A. I do not know that I ought to bring any other newspaper men into it. He certainly has nothing to do with the case at all in the remotest sort of way, and I do not know that these Members heard him say that. I am simply repeating the gossip, and Mr. Lilley has inaugurated that system of dealing with this matter. He has repeatedly said that he has made certain statements upon bits of gossip because there were wild rumors in the air.

Q. Did you say that Mr. Lilley made interlineations in the paper which you showed him?—A. I remember one paragraph that he struck out in particular, and he made two or three other changes in the interview as it had been prepared by the man who turned it in to the Sun office.

Q. Did you send it in exactly as he approved it?—A. I did not change it at all. I do not think it was printed in its entirety. Of course the editor in New York exercises his own discretion as to how much of a story shall be used. I think perhaps it was cut a little, but no changes—that is, nothing was interlined or anything of that kind.

Q. What was printed, then, was not——A. What was printed was in the interview as he returned it to me.

Q. Can that original paper, on which you say he wrote some interlineations, he obtained; is that now in existence?—A. I do not know about that. Copy that is filed is not always kept. But the paper of the 21st of February can be gotten. I think the interview was cut, though.

Q. I am referring to the written paper that you showed Mr. Lilley.—A. I do not know whether that is in existence or not.

Q. If it is in existence where would it be?—A. I am not connected with the Sun office. It may be in the Sun office or it may be destroyed.

Q. If you sent it by wire, you did not send the paper itself?—A. No, sir; I just filed it. We had a wire in the office.

Q. Will you ascertain and see whether it can be produced or not?—A. Yes; I can do that.

Q. The original paper which you showed Mr. Lilley, and in which you say he wrote some words and made some change—if you can find that will you send it to the chairman of this committee?—A. I will. I am not saying that the entire interview was published. There was a story which preceded that, which was perhaps a half or three-quarters of a column in length, and sometimes copy is cut in the Washington office and sometimes it is cut over there.

Q. I am speaking now about the precise paper that you and Mr. Lilley discussed and that you showed him and upon which he made interlineations. That paper, whether published or not, we would like to have.—A. I say I don't know whether I can procure that. I can make the effort.

Q. If you can find it, will you send it to the chairman of this committee?—A. Yes, sir.

The CHAIRMAN. Is there any other member of the committee that has any questions they wish to ask this witness? Is there any Member of the House of Representatives present who wishes to have any questions asked the witness?

By Mr. OLMSTED:

Q. In accordance with the customs of the committee, when handed questions required to be propounded by others, I now ask you a

series of questions submitted by Mr. Lilley. Will you furnish the committee with a copy of all articles you have written concerning submarines that have appeared in the New York Sun?—A. That would be asking almost too much, I think.

Q. Say, within the last six montrs.—A. I presume it would take me a week to go through the files of the New York Sun and find the stories. I am perfectly willing that he should find these stories and submit them. He is making this charge. I do not see that it ought to be incumbent upon me to prove them or offer evidence to disprove them until he has first proven them.

Q. I will ask this question, then, which will fully cover Mr. Lilley's point. Within ninety days previous to the introduction of Mr. Lilley's resolution, you read the New York Sun every day?—A. Yes, sir.

Q. Were there any articles in there on the subject of submarines that were not written by you?—A. I do not know about that. I presume different matters coming up in the Navy Department were covered by the man who covers the Navy Department. My work has been at the Navy Department during the recess of Congress. When Congress assembles my work has been at the House end of the Capitol, so that since the commencement of Congress on the 2d of December I have been at the Capitol, and anything that has been written from the Navy Department, any news that came from the Navy Department during that length of time I have nothing to do with.

Q. If any articles are pointed out that did appear in the New York Sun during that period of time, you would recognize the ones that you wrote?—A. Oh, yes, sir.

Q. Who discharged you from the New York bureau?—A. Mr. Oulahan asked for my resignation, said a request had come from New York for it.

Q. Did he say why?—A. I do not know that he explained to me why. We had been discussing the matter, and I do not know exactly what he did say. I told them I was ready to give it at any time. I had told him that on Saturday morning, that I was willing to give my resignation if he thought that he ought to have it, and he said no, and at night he called me in and said he had got a request for it from New York, and I promptly wrote it out.

Q. You understand it resulted from these charges?—A. Exactly.

Q. Was there any other reason given you by Mr. Oulahan, or anybody else?—A. No, never. I had been connected with the Sun for a long time——

Q. I mean at the time you were discharged was any other reason given than the subject-matter of these charges?—A. Not that I know of. I did not see the telegram from New York.

I am perfectly willing that you ask anything that is suggested.

Q. Then I will ask you, not of my own wish, but of Mr. Lilley's insistence. Did Mr. Oulahan accuse you of having told a falsehood?—A. No, sir. He did ask me if I had been in the employ of the Electric Boat Company. When the thing first came out in Mr. Lilley's charges and he was writing a story about it, he says, "What shall I say?" I says, "You can say that I have never been in the employ of the Electric Boat Company," and I had explained to him during the course of the controversy that I had written some literature for Mr. McNeir.

I want to say that I think that that was a perfectly honorable employment. It had no connection with the Sun, or any paper that I represented. It was simply a matter of literature, the same as I would prepare a prospectus or magazine article.

Q. Mr. Lilley asks me to ask you, Did you say in the presence of Mr. Griggs, Mr. Sherman, Mr. Lilley and others that you had never been paid a cent by the Electric Boat Company?—A. I might have said that. That is true.

Q. Or that you had never done any work for them?—A. That is true. The work that I have done was in getting out literature for Mr. McNeir. I have been a personal friend of Mr. McNeir for ten or twelve years.

Q. The next question is, Did you testify before the press committee that you had been paid $200 by the Electric Boat Company?—A. I did, and I might make this explanation of that, that the only thing which seemed to arise in the minds of the press committee at that time was this particular article which I called the Jules Verne article, and I stated to them what I received for preparing that article. That was the only thing that they appeared to be——

Q. The next question submitted by Mr. Lilley is, Have you told anyone that you proposed printing articles reflecting upon Mr. Lilley's character and reputation?—A. I have not. It is absolutely absurd to think that I could get, not being connected with the New York Sun, that I could get such stuff printed, or that they would print any such thing even if I were connected with the bureau. They are not conducting a slander sheet.

Q. Mr. Lilley suggests that the question does not have relation entirely to the New York Sun, but to the printing of articles anywhere reflecting upon him.—A. Not a thing.

Q. The next question is, Have you had any talk concerning Mr. Lilley with Mr. Angus Erly?—A. Yes, I have talked a great deal with him.

Q. If so, what?—A. We have discussed this matter and Mr. Lilley's efforts in getting up this charge from our position, his charges against us and all that sort of thing.

Q. The next question is, Will you state as near as you can all the conversation that occurred between you and Mr. Erly?—A. That would be a physical impossibility. We have discussed it from the time. Mr. Lilley introduced his recolution up to the time I ate lunch with him to-day. I see him every day, half a dozen times, and from time to time I go to his house and he comes to my house, and I presume the chief topic of our conversation since that time has been Mr. Lilley's charges, and it would be absolutely impossible for me to say what was said.

Q. The next question submitted is, Have you had any conversation with George Ripley concerning Mr. Lilley?—A. I have not. I do not know Mr. George Ripley. I may know him by sight, but I do not know him by name. I certainly never have talked with him to my knowledge upon any subject.

Q. Are you at present employed?—A. Yes, sir.

Q. By whom?—A. I have some Washington papers. I am doing newspaper work.

Q. Have you any other occupation?—A. Not at present.

Q. Or employment?—A. Not at present.

Q. Mr. Lilley desires this question put: Have you consulted, or did you consult, with any officer, agent, or attorney of the Electric Boat Company in regard to libel suit which you brought against Mr. Lilley, either before or since?—A. Mr. McNeir introduced me to the attorney who represents me.

Q. Who is the attorney?—A. Charles A. Keigwin.

Q. What led up to that introduction?—A. I really do not know. I think I may have told Mr. McNeir, perhaps, that I contemplated taking such action.

Q. Did Mr. McNeir advise you in the matter?—A. None whatever. I went down to Mr. Keigwin's office.

Q. Can you relate the conversation that occurred between you and Mr. McNeir before you went to Mr. Keigwin's office?—A. No, I can not.

Q. Mr. Lilley desires me to ask what was the amount of your salary with the New York Sun?—A. I do not consider that that is a question pertinent to this inquiry, but if the chief of the bureau of the New York Sun is willing for me to state, I will come back and state it. I had other employment besides that of the New York Sun.

The CHAIRMAN. The chairman would suggest that it would do no possible injury to anyone unless it can be dovetailed into the evidence to throw any light upon the testimony already given.

The WITNESS. I do not know that Mr. Oulahan wants his private matters of his office disclosed. I do not see what a difference of $5, or $15, or $50 a week would make. I had other income, and did other work, besides newspaper work for them. I have no objection to stating what I was making at the time I was discharged by the Sun, if that is of any benefit to you.

The CHAIRMAN. The pertinency of this question relates to the amount received from the New York Sun.

The WITNESS. I have got a damage suit against Mr. Lilley, and he wants to bring it out, and that can be brought out in court.

The CHAIRMAN. The committee would like to have you answer, if you will.

The WITNESS. Do you mean my income from newspaper work?

The CHAIRMAN. Just the amount from the Sun.

The WITNESS. Thirty dollars a week. I had other employment.

By Mr. OLMSTED:

Q. The next question submitted by Mr. Lilley is, Did you tell Mr. Oulahan of the New York Sun that you had never received a cent from the Electric Boat Company or performed any work for them?—A. I think perhaps I did. That is true.

Q. The next question is, Did any of the articles written by you for the Electric Boat Company, or any part of them, appear in the Washington or any other papers?—A. That magazine feature story which I have referred to was printed in the Sunday Times as a Sunday magazine feature.

Q. In Washington?—A. In Washington.

Q. Mr. Lilley suggests that I ask you this: You were asked a few minutes ago, before you testified before the press committee, if you had been paid by the Electric Boat Company and you said yes.—A. That was not the question. I said if I had been paid $200 for the story, that was true, but not so far as the Electric Boat Company was

concerned. I did not know the Electric Boat Company in the matter. Mr. McNeir came to me, as I have related, and said certain newspaper men had been asking for feature stories on submarines, and I wrote them for him.

Q. Then you understand that you wrote them for Mr. McNeir?—A. Yes sir.

Q. And you had no relation with the Electric Boat Company?—A. None whatever.

Q. Did you know that Mr. McNeir represented the Electric Boat Company?—A. Yes sir. Even if I had written stories for the Electric Boat Company, I should consider it a perfectly honorable employment, as I did not attempt any subterfuge in the matter. I wrote it as matter of literature or a magazine feature story.

Q. The next question Mr. Lilley suggests is this: How long have you worked for the Electric Company?—A. I never worked for the Electric Company.

Q. Mr. Lilley now desires me to ask: Or their representatives?—A. I have never had what might be termed employment by their representatives. From time to time when Mr. McNeir would want something prepared in the way of literature I have written it, but I was not employed under contract or for a salary or anything of that kind. Whenever he wanted something done, I did it for him, preparing an article to turn over to him, or whether it was collecting some statistical information for him at the Navy Department.

Q. The next question submitted by Mr. Lilley to be put to you is, How much money has been paid you by them?—A. What and who do you mean by them?

Q. Either by the company or Mr. McNeir.—A. Nothing by the Electric Boat Company. I presume I have received probably five or six hundred dollars from Mr. McNeir. I do not know the amount. It would be utterly impossible for me to ascertain. I don't think it is over that amount.

Q. You would say it was less than a thousand dollars?—A. Yes sir.

Q. As near as you can recall, it was about what?—A. Well, perhaps five or six hundred dollars. It might have been six.

Q. I will ask you a question of my own. Have you been employed by the Electric Boat Company or by Mr. McNeir to write any articles with special reference to influencing members of Congress?—A. Absolutely none, absolutely none. And, as I said before, I think I would be perfectly safe in offering pecuniary reward for any Member of Congress who ever read that particular story.

Q. The story was published when Congress was in recess?—A. Yes sir.

The CHAIRMAN. Has the subsequent testimony suggested any questions to any member of the committee? Has any Member of the House of Representatives any further questions that he wishes to have propounded to this witness? Or is there present any other party of interest who wishes to propound any questions?

Mr. LITTLETON. I submit one question, Mr. Chairman.

Mr. OLMSTED. This question has been submitted to be put to you: Was not your discharge from the Sun due to the complaints made by Mr. Lake?

A. Well, I presume that might have had something to do with it. I understand that Mr. Lake made a complaint to the Sun, saying that

it had misrepresented him and had been unfair to him, and in that connection the manager of the Sun sent a representative to see Mr. Lake, and he, on coming back to the New York Sun office, made a report in which Mr. Lake said that I had, in effect, written unfavorable articles. And it was quite the fact that I had been with the Sun a number of years, and the only one which he reproduced as tending to substantiate his statement that what I had written was unfair, was the story that appeared in the Sun of February 5, last. It was written on February 4. That story went on to say that when Mr. Secretary Metcalf came before the Committee on Naval Affairs on the following day he would be asked certain questions regarding the Lake Company, a contract with which he had just entered into, and that the committee would want to know something about it; that a naval board had reported upon the relative merits of the *Octopus* and the *Lake*, and found that the *Octopus* was superior and the *Lake* inferior. And that story was the only one which Mr. Lake submitted as having been unfair to substantiate this claim.

In reply to that I made the statement to the Sun that members of the Naval Committee had told me that when Mr. Metcalf would come up to the committee the next day they were going to ask him about the Lake contract. That was perfectly true. Members of the Naval Committee had told me that. I then presented the abstract of the report of the Marix board which has been referred to.

Q. When was this complaint made by Mr. Lake to the New York Sun office?—A. Some time in the latter part of February.

Q. Before or after the introduction of Mr. Lilley's resolution?—A. It came to me after the introduction of the resolution.

Q. Did you say that the New York Sun office sent a man to interview Mr. Lake?—A. That is what was reported. I do not know of it of my own personal knowledge.

Q. Do you know who that man was?—A. I do not think it was anyone that I knew. It was some one from the New York office.

Q. Will you be in Washington in case you should be further needed?—A. I am at the disposal of the committee.

The CHAIRMAN. Is there any other question that any other Member of the House wishes to propound? If there are no further questions the witness will be excused, and the committee will take a recess until Thursday morning, March 19, at 10 o'clock.

(Thereupon the committee adjourned until Thursday, March 19, at 10 o'clock a. m.)

HOUSE OF REPRESENTATIVES,
Thursday, March 19, 1908.

MORNING SESSION.

The committee met at 10 o'clock a. m.

All members of the committee were present.

The CHAIRMAN. The committee will be in order. On Monday last Mr. Lilley left with the committee an undated and unsigned memorandum in the form of a letter to him, on a letter head of a Philadelphia hotel. The committee did not feel, in view of the character of this memorandum, undated and anonymous, that it was anything which required any attention on the part of the committee. A copy of it, however, was published in yesterday's paper. This was done without the knowledge or consent of the committee. The clerk will read the memorandum:

THE BELLEVUE STRATFORD,
Philadelphia, ———, 190–.

Hon. GEO. L. LILLEY:

Wm. Dulles, 115 Broadway, N. Y., and Robert McA. Lloyd, Cold Spring Harbor, L. I., were both formerly directors of the E. Boat Company and resigned because of the amount used for corruption or for which they would make no accounting.

(Unsigned.)

The CHAIRMAN. This morning I received an envelope marked "William Dulles, 115 Broadway, New York," postmarked "New York, March 18, 7 p. m., 1908." There are four inclosures, which I will ask the clerk to read:

115 BROADWAY, NEW YORK, *March 18, 1908.*

Hon. H. S. BOUTELL,
Washington, D. C.

DEAR SIR: I received to-day from the Hon. Mr. George L. Lilley letter dated March 17 referring to an anonymous letter which had reached him, making certain statements as to the cause of my resignation from the directorate of the Electric Boat Company.

In view of the publicity this matter seems to have received through the press, it seems to me proper to send, as I do herewith, copy of Mr. Lilley's letter to me, as well as my response of this date and the inclosure I am sending him, so that if the matter is at all in the minds of yourself or your committee you may have the statement I am making to Mr. Lilley.

Yours, very truly, WILLIAM DULLES.

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 17, 1908.

Mr. WILLIAM DULLES,
115 Broadway, New York City.

MY DEAR SIR: I have an anonymous letter which reads as follows:

"Wm. Dulles, 115 Broadway, N. Y. City, was formerly a director of the E. Boat Company and resigned because of the amount used for corruption or for which they would make no accounting."

Can you give me any light as to the expense account of the Electric Boat Company?

Awaiting your favor, I am, very sincerely, yours,

GEO. L. LILLEY.

MARCH 18, 1908.

Hon. GEORGE L. LILLEY,
Washington, D. C.

DEAR SIR: Your letter of the 17th instant duly received with reference to an anonymous letter which has reached you, and which you courteouslv quoted to me, in reference to the Electric Boat Company matters.

I resigned as director of that company about two years ago, and inclose with this a copy of my letter as sent to the directors of the Electric Boat Company at that time. The date of the letter referred to is April 25, 1906. I think it explains adequately the reason for my resignation.

I would not pay any attention personally to an anonymous letter, but feel it right to acknowledge your courtesy in presenting the question to me, and state that there was no fact such as suggested in the anonymous letter to cause my resignation.

Yours, very truly,

WM. DALLES.

P. S.—I am taking the liberty of sending a copy of this correspondence to the Hon. Mr. Boutell, chairman, and inclose to you a copy of my letter to him, so that you may have the entire correspondence before you.

APRIL 25, 1906.

TO THE DIRECTORS OF THE ELECTRIC BOAT COMPANY,
Hanover Bank Building, New York City.

GENTLEMEN: I beg with this to tender my resignation as a director of this company, to take effect at the close of the meeting to be held to-day. I do this with considerable regret in view of the fact that I have been a director of the company practically from the date of its formation, and have been greatly interested in the development of its various enterprises. It has, however, been very difficult for me to be regular at the meetings of the directors, and unless directors are actively involved in the problems of the company I do not think they should continue to hold office.

I desire specially to express my appreciation of the cordial personal relations that have existed with the various directors individually, and which has been a source of genuine pleasure.

Yours, very respectfully, WILLIAM DULLES, Jr.

The CHAIRMAN. The Secretary of the Navy is here this morning and if he will kindly take the stand.

TESTIMONY OF HON. VICTOR H. METCALF, SECRETARY OF THE NAVY.

Hon. VICTOR H. METCALF, being first duly sworn, on being examined, testified as follows:

The CHAIRMAN. I will ask Mr. Olmsted to examine the Secretary of the Navy.

By Mr. OLMSTED:

Q. Mr. Secretary, you are from California, I think, your home State?—A. Yes, sir.

Q. And while there you were a practicing lawyer?—A. Yes.

Q. State whether you served in Congress.—A. I did.

Q. During what Congresses?—A. Fifty-sixth, Fifty-seventh, and a portion of the Fifty-eighth.

Q. While in Congress did you serve upon the Committee on Naval Affairs?—A. For one term.

Q. In which Congress?—A. Fifty-sixth.

Q. When you retired from Congress, what occupation or profession or office did you enter?—A. I resigned to accept a position in the President's Cabinet as head of the Department of Commerce and Labor.

Q. How long did you hold that position?—A. I held it until December 17, 1906.

Q. And then became Secretary of the Navy?—A. I held it until December 17, 1906; yes.

Q. You were appointed at the head of the Department of Commerce and Labor by President Roosevelt?—A. Yes, sir; took office July 1, 1904.

Q. And by President Roosevelt appointed Secretary of the Navy?—A. Yes, sir.

Q. And still are Secretary of the Navy?—A. Yes, sir.

Q. State whether or not, Mr. Secretary, you have made official reports containing your views or recommendations on the subject of submarine boats.—A. In the annual report of the Department for the fiscal year 1907, commencing at page 12 thereof, is the report on submarine boats.

Q. Is it a long report?—A. Not a very long one.

(The report referred to is as follows:)

SUBMARINE BOATS.

The act of June 29, 1906, making appropriation for the naval service, contained the following proviso:

"The Secretary of the Navy is hereby authorized, in his discretion, to contract for or purchase subsurface or submarine torpedo boats, to an amount not exceeding one million dollars, after such tests as he shall see fit to prescribe, to determine the comparative efficiency of the different boats for which bids may be submitted: *Provided*, That such tests shall take place within nine months from the date of the passage of this act; and for such purpose the sum of five hundred thousand dollars is hereby appropriated."

In order to carry out the provisions of this act the Department, under date of August 20, 1906, convened a board of five members, none of whom had recently been associated with departmental boards having to do with submarine torpedo boats.

The board met on August 23, and under date of August 28, 1906, made a report recommending a schedule of comparative tests for such boats as might be entered for test. This schedule was referred by the Department to the Board on Construction, which recommended some slight changes, after which the report was approved by the Department and copies furnished the parties interested. In view of the fact that the time limit of nine months from the date of the act of June 29, 1906, would close at a season of the year very unfavorable to trials in Narragansett Bay, the Department recommended an extension of the time of two months. This was authorized by Congress in the act of March 2, 1907, which also made other modifications in the original act of June 29, 1906.

The provision in the act of March 2, 1907, is as follows:

"That the provision in the naval appropriation act approved June twenty-ninth, nineteen hundred and six, authorizing the Secretary of the Navy to contract for subsurface or submarine boats after certain tests to be completed by March twenty-ninth, nineteen hundred and seven, is hereby amended, in accordance with the recommendation of the Secretary of the Navy, so as to extend the test until May twenty-ninth, nineteen hundred and seven; and the limit of cost provided for in the authorization aforesaid is hereby increased to three million dollars, and the sum of one million dollars, which includes the half million dollars heretofore appropriated, is hereby appropriated, and to remain available until expended, no part of this appropriation to be expended for any boat that does not in such test prove to be equal in the judgment of the Secretary of the Navy to the best boat now owned by the United States, or under contract therefor, and no penalties under this limitation shall be imposed by reason of any delay in the delivery of said boat due to the submission or participation in the comparative trials aforesaid."

The time of beginning the trials was fixed for April 30, 1907, and competitors were directed to have their boats at the torpedo station, Newport, R. I., at that time. The Electric Boat Company submitted a submarine boat under construction by them for the United States naval service, named the *Octopus*. The Lake Torpedo Boat Company submitted a boat which had been constructed by them, named the *Lake*. The Subsurface Torpedo Boat Company did not submit a boat for trial, but offered for such trials as were practicable a quarter-size model of a boat of 140-foot length, designed by them, and the Department authorized the model to be tested. This model was of one sixty-fourth the displacement of the proposed full-sized boat.

Meanwhile, under date of October 26, 1906, the Department had issued advertisements for bids for submarine and subsurface boats in accordance with the provisions of the act, the bids to be opened on February 18, 1907, or prior to the trials provided for by law. The date of opening bids was subsequently changed to April 30, 1907. Bids for submarine boats were submitted by the Electric Boat Company and the Lake Torpedo Boat Company. The 274-ton boat bid upon by the Electric Boat Company was substantially a duplicate of the *Octopus* which was offered for trial, and the 235-ton boat bid upon by the Lake Torpedo Boat Company was substantially a duplicate of the *Lake* which was offered for trial.

After the completion of the trials at Newport, R. I., the trial board submitted a report giving in detail the results of the various trials conducted by it. The board's conclusion as regards the *Octopus* and *Lake* was as follows:

"It is the unanimous opinion of this board that the *Octopus* is the superior boat presented for tests; and, furthermore, that she is equal to the best boat now owned by the United States and under contract.

"The board is also of the opinion that a boat generally similar to the *Octopus*, but larger, would be a superior naval weapon."

As regards the subsurface boat, the trial board reported that it was not comparable with submarine boats; that the type might be considered in comparison with torpedo boats and destroyers, but that in the absence of a full-sized boat it was impossible to make a satisfactory comparison with any class of vessel.

This report of the trial board, together with the bids received by the Department under date of April 30, 1907, was referred to the Board on Construction for report and recommendation. The Board on Construction stated that the report of the board on comparative trials of submarine and subsurface boats was complete and conclusive, and that it concurred in the opinion of the trial board already quoted. It recommended that the Department enter into contract with the Electric Boat Company for the construction of eight submarine boats of the *Octopus* type, four of the size of the *Octopus* and four of the 340-ton size, subject to a reduction of price to $285,000 for each of the four 105-foot boats and $360,000 for each of the four 133-foot boats, the guaranteed submarine speed to be increased in the case of the 105-foot boats from 8 to 9 knots and in the case of the 133-foot boats from 8 to 9½ knots.

Some question having been raised as to the amount of discretion vested in the Department under the law, the Department referred the following questions to the Attorney-General under date of July 8, 1907:

"1. Whether, upon the condition of facts thus presented, the Department is authorized to expend any portion of the moneys appropriated by the acts of June 29, 1906 (34 Stat., 583), and March 2, 1907 (34 Stat., 1204), for the construction or purchase of a submarine boat or boats of the *Lake* type?

"2. Whether, under the facts as stated, the Secretary of the Navy is authorized to expend any portion of the appropriations referred to for the purpose of subsurface boats of the type subjected to trial as above set forth?"

The Department also called upon the trial board for some further statements of opinion based upon the results of the trials conducted by it.

After very careful consideration of all the records, reports, and supplementary reports of the trial board the opinion of the Attorney-General, and the recommendations of the Board on Construction, and statements of the parties interested the Department concluded finally to award to the Electric Boat Company a contract for four vessels of the *Octopus* type and size at the price of $285,000 each, and three vessels of the *Octopus* type, but of the larger size, at the price of $360,000, the total contract price for the seven boats being $2,220,000. With suitable reservations for the cost of any probable changes or additions during construction, and for costs extra to the contract, such as Government inspection, there will be still available, within the total limit of $3,000,000, a balance exceeding $500,000. The Department has since obligated a portion of this balance, subject to the decision of the Lake Torpedo Boat Company to accept the Department's proposition to purchase a submarine boat to be built by the Lake Torpedo Boat Company, if said boat, upon completion and test, "shall prove equal, in the judgment of the Secretary of the Navy, to the best boat owned or contracted for by the United States on the 2d of March, 1907," no payment on account of the vessel to be made, however, except in the event of its acceptance by the Government.

Q. That was your first report as Secretary of the Navy?—A. That was my first report.

Q. Have you made a subsequent report?—A. I have not.

Q. Have you, as Secretary of the Navy, recommended in any way to Congress or to anybody else in authority the making of an appropriation for an additional number of boats?—A. I have.

Q. How was that recommendation made?—A. That recommendation was made in this same annual report.

Q. It is not in that part you read, is it?—A. No; the part I read refers to the award of contracts for submarines.

Q. Will you kindly read the part recommending additional appropriations?—A. On page 36 of the same report under the title "Building Programme," "On September 26, 1907, the General Board, acting under chapter 1, section 2, paragraph 3, of the Regulations for the Government of the Navy, recommended to the Department a building programme for the coming fiscal year, as follows:"

Then, number, approximate unit cost, total cost. Do you want the whole recommendation or just the part referring to submarines?

Q. We will have it inserted in the record; it is not necessary for you to read it.—A. "Four submarines." In this portion that I read now it does not appear in the report as being a part of the recommendation of the General Board, but in fact it was a part of the recommendation of the General Board. Four submarines of the same type as those recommended as the result of recent competitive tests. That recommendation on the General Board was submitted by me to the Board on Construction and the Board on Construction made recommendations and added this language to the recommendation for the submarines, "provided a more satisfactory type is not developed in the meantime," so the recommendation as finally made by me was four submarines of the same type as those recommended, as the result of the recent competitive tests, provided a more satisfactory type is not developed in the meantime.

Q. Upon what page is that?—A. That is on page 36 of the annual report.

BUILDING PROGRAMME.

On September 26, 1907, the General Board, acting under chapter 1, section 2, paragraph 3, of the Regulations for the Government of the Navy, recommended to the Department a building programme for the coming fiscal year, as follows:

Number and class.	Approximate unit cost.	Total cost.
4 battle ships	$9,000,000	$36,000,000
4 scout cruisers	2,500,000	10,000,000
10 destroyers	850,000	8,500,000
4 submarines	330,000	1,320,000
4 ships' motor torpedo boats	30,000	120,000
1 ammunition ship	1,250,000	1,250,000
1 repair ship	2,000,000	2,000,000
2 fleet colliers	1,500,000	3,000,000
2 mine-laying ships (conversion and equipment for that purpose of 2 cruisers now on the Navy list)	250,000	500,000
Total		62,690,000

The report of the General Board was submitted by the Department to the Board on Construction, and the latter board, on November 7, submitted to the Department its report, in which it practically concurred in the recommendations of the General Board.

It is true that our Navy at the present time is the second in efficiency. Our position, however, is largely due to the fact that during the past fiscal year our sea strength and fighting efficiency have been increased by the completion and delivery of a number of new battle ships and cruisers of the largest and most approved type, but we will not maintain this position very long unless Congress shall authorize the building of additional ships. It is of the highest importance that old and practically obsolete ships be replaced by ships of the newest type. It is pretty generally conceded that the battle ship is the fighting machine, and it is also pretty generally conceded that the most effective battle ship is the all big gun ship of the *Delaware* type. As compared with

other naval powers, we are deficient in destroyers and submarines, and are also woefully deficient in colliers.

I have given the most careful consideration to the reports of both boards, and earnestly recommend that Congress authorize, at its coming session, the construction of the following vessels:

Number and class.	Approximate unit cost.	Total cost.
4 battle ships (of the same type as the Delaware class)	$9,500,000	$38,000,000
4 scout cruisers (of the same type as the Chester class)	2,500,000	10,000,000
10 destroyers (of the same type as those recently contracted for)	850,000	8,500,000
4 submarines (of the same type as those recommended as the result of the recent competitive tests, provided a more satisfactory type is not developed in the meantime)	380,000	1,520,000
1 ammunition ship	1,750,000	1,750,000
1 repair ship	2,000,000	2,000,000
2 mine-laying ships (conversion and equipment for that purpose of 2 cruisers now on the Navy List)	250,000	500,000
4 fleet colliers	1,750,000	7,000,000
Total		69,270,000

Q. That was, as you have stated here, a recommendation for a building programme ending with the coming fiscal year.—A. Beginning July 1, 1908.

Q. And ending June 30, 1909?—A. 1909.

Q. This was your latest report?—A. That is my first report made as Secretary of the Navy, first annual report.

Q. Have you made any subsequent report?—A. No subsequent report.

Q. This is your only report?—A. That is the only report made.

Q. Do you happen to have with you the report made by your predecessor on the same subject?—A. No.

Q. Will you kindly state, Mr. Secretary, if you choose, your view as to the value to the Navy of the service of submarine boats.—A. I would prefer that that statement be made by the experts of the Department.

Q. Will you name those persons?—A. I can send down some officers if you desire to have them appear before the committee. Of course I made that recommendation and would not have made it if I had not thought that it was necessary.

Q. And it was supported by the recommendation of the naval experts?—A. Of the General Board of the Department supplemented by the recommendation of the Board on Construction.

Q. And may I ask if the Commander in Chief of the Navy, the admiral of admirals, was taken into consultation?—A. Admiral Dewey is the president of the General Board and signed the report made by the General Board.

Q. Admiral Dewey?—A. Yes, sir.

Q. I refer to his superior officer.—A. The President?

Q. The Commander in Chief, under the Constitution, the President of the United States.—A. I do not have the President's message with me.

Q. He has said so in one of his messages, I think. Mr. Secretary, will you give us from memory the names by which you call these boards, and the officers of the boards?—A. The first is the General Board, of which Admiral Dewey is president; the second is the Board on Construction, of which Admiral Converse is the chairman.

Q. Can you state from memory the names of the other members of the General Board?—A. The General Board, at the time the recom-

mendation was made, was composed of Admiral Dewey, president; Rear-Admiral Brownson, then Chief of the Bureau of Navigation; Rear-Admiral Merrell, president of the Naval War College; Captain Rodgers, Chief Intelligence Officer; Captain Barnett, now in charge of the Naval Observatory, and Captain Sargent, since deceased.

Q. That Board was appointed by whom?—A. Appointed by the Secretary of the Navy.

Q. That is the General Board as appointed by the Secretary of the Navy?—A. Yes, sir.

Q. And the other board is the Construction Board?—A. Board on Construction, composed of certain bureau chiefs, the Chief Constructor, Chief of the Bureau of Steam Engineering, Chief of the Bureau of Equipment, Chief of the Bureau of Ordnance and Rear-Admiral Converse, now on the retired list, was appointed by me as president of the board

Q. The other appointments?—A. Are Presidential appointments, confirmed by the Senate.

Q. The President's recommendation we find in his messages, so I will not ask you about that. Do you know when the first law was passed authorizing submarines?—A. I do not recall when that act was first passed. There was a test made of the *Holland* on the Potomac River in 1900, according to my recollection. You will find the information in the back of Pulsifer's publication. Mr. Pulsifer is clerk of the Senate Naval Committee.

Q. Will you state how many submarine boats the Government owns outside of the authorization of 1906 and 1907.—A. Twelve. You will find the number of submarines in this sheet of the annual report following page 6.

Q. Then, we have eight under contract?—A. We have eight under contract.

Q. Which will make a total of 20 authorized by existing law?—A. Yes; built and building.

Q. I think you have read the provisions of the acts of 1906 and 1907?—A. Yes, sir.

Q. You have referred to the Newport tests, I think?—A. Yes, sir.

Q. The so-called Marix board were the judges of that test?—A. Yes, sir.

Q. By whom was that board appointed?—A. That board was, I think, appointed by my predecessor, Mr. Bonaparte.

Q. By the Secretary of the Navy or the President?—A. By the Secretary of the Navy. The board consisted of Captain Marix, president; Naval Constructor G. W. Taylor, Commander D. P. Walling, Lieut. Commander W. S. Smith, and Lieutenant Timmons.

Q. You have quoted from your report?—A. This is a brief extract from the report.

Q. The report of the board was unanimous?—A. It was a unanimous report. I will read it to you. "It is the unanimous opinion of this board that the *Octopus* is the superior type presented for tests. And furthermore, that she is equal to the best boat now owned by the United States or under contract.

"The board is also of the opinion that a boat generally similar to the *Octopus*, but larger, would be a superior naval weapon."

Q. That is the unanimous report of the Marix board, approved by the Board on Construction.—A. Unanimous by the Board on Construction.

Q. In pursuance of that, as you have stated, you have contracted for seven boats of the *Octopus* type at the price stated in your report?—A. Yes.

Q. At $286,000 for the 105-foot boats, and $360,000 for each of the three 133-foot boats?—A. Yes, sir. I have also entered into a contract with the Lake Boat Company since making my annual report for one boat.

Q. For one of the eight?—A. Yes.

Q. The Lake Boat Company's boat was not the winner of the competitive tests?—A. No.

Q. Do you mind stating how that contract came to be made?—A. The contract was entered into by the Department with the Lake Torpedo Boat Company under certain guaranties. Their bid was $525,000. The Department agreed, as I recall it, to pay them $450,000 for one of their boats. The boat is approximately 500 tons displacement and 161 feet long. No money is to be paid on this contract until after the boat has been fully tested, and if after the test it should develop that the boat is equal to the best boat owned by the Government or under contract to the Government the Department is then to pay them $450,000 for that boat. This boat is to have a greater steaming radius than any boat under contract, I think seventy hours, and a greater speed—a speed of 14 knots on the surface for four hours, and a submerged speed of 9½, which is the speed of the *Octopus*. I have the contract or agreement here if you would like to have it.

Q. We would like to have it. Can you state how the price of that boat compares with the price of what I will call the *Holland* boat?—A. The Chief Constructor, Admiral Capps, of the Department, is here, and he went into those elements very thoroughly as to the cost, and I would prefer to have you ask those questions of him. But the question of cost in both cases was carefully considered.

Q. Now, Mr. Secretary, the act of 1907 provides "that no part of this appropriation shall be expended for any boat that does not in such test equal, in the judgment of the Secretary of the Navy, the best boat now owned by the United States or under contract therefor." This boat for which you have contracted, was it in that competition?—A. The Lake Torpedo Boat Company had a boat in that competition.

Q. Did it prove to be equal, in your judgment, to the best boat?—A. It did not in the judgment of the trial board.

Q. Then the judgment of the Secretary of the Navy would be based upon the report of the board?—A. To a very great extent it would be based upon the report of the board; almost entirely upon that report.

Q. It being provided in the law that no part of the appropriation should be expended for any boat that does not in the test prove to be equal, in the judgment of the Secretary of the Navy, to the best boat now owned by the United States or under contract, how was it that a contract was made for a boat which was the loser in that competition?—A. The whole matter was submitted to the Attorney-General of the United States. You will observe, as I said in my report, on page 14, there is some question of discretion. The Department referred certain questions to the Attorney-General under date of July 18, 1907, and the Attorney-General then rendered the opinion which I have in my hand.

Q. Was that a communication in writing?—A. Yes.

Q. Have you a copy of that?—A. I have a copy of the opinion here, which I will read if you desire.

Q. We should be very glad to have it and let it go in the record at that point.

JULY 30, 1907.

The Honorable the SECRETARY OF THE NAVY,
Washington, D. C.

SIR: I have the honor to acknowledge the receipt of your letter of July 8, 1907, in which you ask the following questions:

"1. Whether, upon the condition of facts thus presented, the Department is authorized to expend any portion of the moneys appropriated by the acts of June 29, 1906 (34 Stat., 583), and March 2, 1907 (34 Stat., 1204), for the construction or purchase of a submarine boat or boats of the *Lake* type?

"2. Whether, under the facts as stated, the Secretary of the Navy is authorized to expend any portion of the appropriations referred to for the purchase of subsurface boats of the type subjected to trial as above set forth?"

"The condition of facts thus presented" and the "facts, as stated," appear from your letter to be as follows:

The act making appropriations for the naval service for the fiscal year ending June 30, 1907 (34 Stat., 583), contains the following provision:

"The Secretary of the Navy is hereby authorized, in his discretion, to contract for or purchase subsurface or submarine torpedo boats to an amount not exceeding one million dollars after such tests as he shall see fit to prescribe to determine the comparative efficiency of the different boats for which bids may be submitted: *Provided*, That such tests shall take place within nine months from the date of the passage of this act; and for such purpose the sum of five hundred thousand dollars is hereby appropriated."

The act above quoted was supplemented by the following legislation, contained in the act making appropriations for the naval service for the fiscal year ending June 30, 1908, approved March 2, 1907 (34 Stat., 1204):

"That the provision in the naval appropriation act approved June twenty-ninth, nineteen hundred and six, authorizing the Secretary of the Navy to contract for subsurface or submarine boats after certain tests to be completed by March twenty-ninth, nineteen hundred and seven, is hereby amended, in accordance with the recommendation of the Secretary of the Navy, so as to extend the test period until May twenty-ninth, nineteen hundred and seven, and the limit of cost provided for in the authorization aforesaid is hereby increased to three million dollars, and the sum of one million dollars, which includes the half million dollars heretofore appropriated, is hereby appropriated, and to remain available until expended, no part of this appropriation to be expended for any boat that does not in such test prove to be equal in the judgment of the Secretary of the Navy to the best boat now owned by the United States or under contract therefor, and no penalties under this limitation shall be imposed by reason of any delay in the delivery of said boat due to the submission or participation in the comparative trials aforesaid."

In pursuance of the provisions of these enactments the Navy Department appointed a board for the purpose of testing and reporting upon submarine and subsurface boats, and this board, after conducting trials of the *Octopus*, a submarine boat built by the Electric Boat Company under contract with the United States; of the *Lake*, a boat offered by the Lake Torpedo Boat Company, and a boat submitted by the Subsurface Torpedo Boat Company, submitted, April 30, 1907, a report from which the following quotations are taken:

"OPINION.

"It is the unanimous opinion of this board that the *Octopus* is the superior boat presented for tests, and, furthermore, that she is equal to the best boat now owned by the United States and under contract.

"The board is also of the opinion that a boat generally similar to the *Octopus*, but larger, would be a superior naval weapon.

"SUBSURFACE BOAT.

"The subsurface boat can not be compared with submarine boats, being of an entirely different type, but could be considered in the class of torpedo boats or destroyers if built of sufficient size—yet, in the absence of a regular subsurface boat, there being but a quarter-size model, it was impossible to make a satisfactory comparison

with any class of vessels. From what the board observed of the speed and maneuvering abilities of the model, there is no reason to doubt that guaranties made in these respects can be carried out.

"It may also be conceded that a subsurface boat, as compared to a torpedo boat, has less vulnerability, requires less men, and has a larger steaming radius, but she has less speed and greater draft."

Subsequently you addressed to the board instructions to reply to the following two questions:

"1. Do the trials conducted by the board show that the type of submarine boat represented by the *Lake* is superior, inferior, or equal to the type represented by the *Octopus*? Specify in what respects.

"2. With respect to the subsurface boat, and in view of the finding of the board that such boats 'can not be compared with submarine boats, being of an entirely different type,' an expression of the board's opinion, as deduced from the tests conducted during the trials, is also desired as to whether or not it was developed by such tests that boats of the subsurface type would, as a means of offensive or defensive warfare, be superior, equal, or inferior to the best torpedo boats now owned or contracted for by the Government, provided such boats were built of a size suitable to render their qualities available."

The board answered these questions as follows:

"1. That the type of submarine boat as represented by the *Lake* is, in the opinion of the board, inferior to the type as represented by the *Octopus*.

"2. The closed superstructure of the *Lake*, with the large, flat deck, which is fitted to carry water ballast and to contain fuel tanks and air flasks, which is an essential feature of the *Lake* boat presented to us for trial, is inferior to the arrangements on board the *Octopus* for the same purposes, and also is, in the opinion of the board, detrimental to the proper control of the boat.

"3. The hydroplanes, also an essential feature of the *Lake* boat presented to us for trial, were incapable of submerging the boat on an even keel. They are therefore regarded as an objectionable incumbrance.

"4. The board is of the opinion that the tests of the subsurface boat model did not develop that boats of this type, built of a size suitable to render their qualities available are equal to the best torpedo boat now owned by the Government."

It appears that Capt. Adolph Marix, U. S. Navy, president of the board, did not concur in the fourth of the above findings and submitted a separate report on the subject; but this fact does not seem to be material.

I am informed by your letter of July 8, above mentioned, that you have approved the reports of the board (meaning, as I assume, the report of the majority of the board with respect to the matter as to which the said reports were not unanimous) and have adopted their conclusions.

Answers to both of your questions depend upon the construction of the following passage in the act approved March 2, 1907:

"* * * No part of this appropriation to be expended for any boat that does not in such test prove to be equal, in the judgment of the Secretary of the Navy, to the best boat now owned by the United States or under contract therefor."

It is obvious that this provision is somewhat carelessly worded and can not be taken in its literal sense for two reasons. In the first place the appropriation in question is not to be expended for the purchase of any boat taking part in the test to which this passage refers, but for the construction of boats more or less similar to those tested, so that the words "any boat that does not in such test prove to be" must evidently be understood as meaning "any boat that is not shown by the result of such tests likely to be."

Secondly, since it is plain that the Congress could not have meant to prohibit the construction of a boat superior to any now owned by the United States, the word "equal" must be understood as meaning "at least equal" or "not inferior," and, moreover, since it would be unreasonable to interpret this "equality" as referring to size, cost, or other particulars inconsistent with the evident general meaning of the provision, the words "in value for naval purposes" or equivalent language must be read into the passage after the word "equal" in order to give the provision a rational and consistent construction.

I have been favored with written or printed arguments by counsel for all the construction companies affected to aid in the determination of the questions submitted in your letter, and it is proper to say that the counsel for one of these companies has argued, in substance, that the provision in question is insensible or repugnant in its terms, and that for this reason the passage should be wholly disregarded.

I am unable to assent to this argument. I think the passage can be given a rational and effective construction in accordance with the canons of statutory interpretation by reading it, as above suggested, as equivalent in meaning to "no part of this appro-

priation to be expended for any boat that is not shown by the results of such tests likely to be at least equal in value for naval purposes, in the judgment of the Secretary of the Navy, to the best boat now owned by the United States or under contract therefor."

A further qualification of the language used is necessary to give effect to what I consider the evident meaning of the Congress, by the insertion before the word "boat" of the words "submarine or subsurface." This appears to have been virtually assumed by the Board in its report, but, as is hereinafter pointed out, there is room for doubt whether the Board gave full effect, in its reply to your second question, to this, in my judgment, necessary assumption.

For the sake of clearness, it may be well to point out that the comparison involved in the provision under discussion is not one between the boats competing in the prescribed tests, nor yet between the types of boats thereby represented, but between a boat to be constructed by one or the other of the competing construction companies, and the best boat of the same class now owned or contracted for by the Government. To give a clear illustration of my meaning: If we suppose the *Octopus* to be the best boat of the submarine class owned by the Government or under contract on March 2, 1907, then the comparison for the purpose of this provision is to be made between the *Octopus* and such an improved boat of, say, the *Lake* type, as the Secretary of the Navy may believe the Lake Torpedo Boat Company can construct in accordance with the specifications of its bid. It is not at all decisive of this question that the type of the *Octopus* may be, in the judgment of the Secretary of the Navy, superior to that of the *Lake*, for it is possible that, notwithstanding this inferiority of type, an individual boat of the *Lake* type might be constructed equal or even superior to the *Octopus*. The inferiority of the *Lake* type is, of course, a relevant circumstance to be considered by the Secretary in determining whether the Lake Torpedo Boat Company can make a vessel of their type which shall be worth as much as or more than the *Octopus* for naval purposes, but if he shall find that an enlarged and otherwise improved boat of the *Lake* type might be built which would equal or exceed in value for naval purposes the best existing boat of the *Octopus* type, his discretion is freed from the operation of this provision.

If the Congress had meant that all the boats to be paid for out of the appropriation in question should be of the type shown to be the best by the results of the tests prescribed, there would have been no difficulty in using appropriate language to express this meaning. What the Congress has said is that the best boat now owned or contracted for by the Government shall constitute a minimum of naval efficiency which must be found in any future vessel to be paid for out of this appropriation.

That such was the meaning of the Congress would be strongly suggested by a consideration of notorious facts in the contemporary history of naval construction. It is well known that certain nations have constructed large numbers of submarine vessels and that a certain class of critics have strongly urged the hasty construction of many vessels of the same class by the United States. It is also notorious that some authorities in naval matters question seriously the practical value of vessels of this class, and advise that they be built at present in comparatively small numbers, and that existing types of submarine boats be regarded as, for the present, largely experimental. The provision in question evidently imposes a restriction on the discretion of the Secretary of the Navy, and, as it must be assumed that the Congress expects that official always to act in accordance with his own best judgment of the public needs, it seems reasonable to believe that the Congress meant by this provision to indorse the second, rather than the first, of the two above-mentioned theories, by fixing a minimum of efficiency for naval purposes to be possessed by any vessel of the class which should be built out of the appropriation provided, so that the Secretary might not be led, by considerations of economy or rapidity of construction, to add to the Navy vessels of less value for purposes of naval warfare than should be possessed by the submarine boat selected as the minimum standard of merit. In other words, the Congress, by this provision, has said to the Secretary of the Navy: "You must not build, out of this appropriation, any boat for which, in your judgment, it would not be to the interest of the Government to pay as much as for the best boat of the same class which you now have, or are soon to have, in the Navy."

While it must be owned that the language of this provision is in some measure obscure, and that its construction is not wholly free from difficulty, I think the foregoing considerations establish its meaning with sufficient certainty to justify Executive action in conformity to the sense indicated.

It follows from what has been above said that, while the first three findings of the board which have met your approval embody facts suitable for your consideration in determining, as a matter of discretion, whether you will or will not expend any part of the moneys appropriated by the acts mentioned in your first question to me for the construction or *purchase of a submarine* boat or boats of the Lake type, they are,

nevertheless, not decisive of this question, and you are authorized, in my opinion, to expend some part of the said moneys for the construction or purchase of one or more boats of the type mentioned, provided you shall be satisfied that the boat or each of the boats in question, when completed in accordance with the terms of contracts to be made by you with the builders of the same, shall be, at least, equal in value, for purposes of naval warfare, to the *Octopus*, or whatever other boat may have been, in your judgment, on March 2, 1907, the best boat of the submarine class owned by or under contract for the Government.

With respect to your second question, I do not find, in the papers accompanying your letter, anything to show that the United States owned, or had under contract for delivery, on March 2, 1907, any subsurface boat or boat of the same class with the subsurface boat of the type subjected to trial as set forth in the said accompanying papers. It is true that the board has found, and you have approved its finding, that the subsurface boat "could be considered in the class of torpedo boats or destroyers, if built of sufficient size," but this finding does not seem to me to establish that a subsurface boat can be fairly considered either a "torpedo boat" or a "destroyer" within the meaning of the act of Congress providing for comparison with "the best boat now owned by the United States or under contract therefor." One very obvious reason sustaining this view of the matter is that the board refers to two distinct classes of vessels in this comparison. If this section of the appropriation act had provided for the construction of "torpedo boats," and had contained a proviso in the same language as that which we have been considering, it seems evident that "the best boat now owned by the United States" would be understood as meaning the best torpedo boat and not the best destroyer, and since the Board, in its finding, has grouped subsurface boats with both torpedo boats and destroyers, it would seem that it has had in view rather the end to be attained by the military engine in question, and the general method of attaining that end, than the specific means adopted in the case of each type so to effectually utilize such method as to attain the desired end.

In my opinion, the papers submitted with your letter tend to show that the United States, on March 2, 1907, did not own and had not contracted for any boat of the subsurface class, although the facts in this respect are not stated with sufficient definiteness to enable me to assume them as a basis for an opinion. Upon the hypothesis, however, that no vessel of this class was either owned by the Government or under contract at the date of the approval of the bill in question, it is my opinion that the provision contained in the section of the appropriation bill to which you have called my attention has no application to boats of this class and, therefore, that, upon the said hypothesis, you would be authorized, in your discretion, to expend some portion of the appropriation referred to for the purchase of subsurface boats of the type submitted to trial as above set forth.

I think it appropriate to say, in conclusion, that the discretion conferred upon the Secretary of the Navy by the act making appropriations for the naval service for the fiscal year ending June 30, 1907, which was, in this respect, reenacted by the act approved March 2, 1907, with regard to the purchase or construction of vessels of these two classes, is a very wide discretion; and it would, in my judgment, defeat the general purpose of the Congress to place upon the provision above discussed such a construction as would relieve him of the responsibility which the Congress, in my opinion, plainly intended to impose upon him as to the expenditure of this portion of the appropriation.

Very respectfully,

CHARLES J. BONAPARTE,
Attorney-General.

Q. Who raised the questions which were submitted to the Attorney-General?—A. The representative of the Lake Boat Company, former Senator Thurston, asked me to submit the questions as to my discretion to the Attorney-General.

Q. Did any Member of Congress ask you to submit the question?—A. I think not.

Q. Or speak to or address the Secretary of the Navy on the subject?—A. Not to my recollection.

Q. It was then submitted upon the request of ex-Senator Thurston, attorney for the Lake Boat Company, and that request made in writing?—A. It may possibly have been in writing. I could not tell you until I have the files examined.

Q. If in writing, the letter would be in the Department?—A. The letter would be among the files of the Department.

Q. Will you kindly cause an investigation to be made, and if you find such letter let me have a copy of it?—A. Yes.

Q. State whether or not Senator Thurston filed a brief in support of the proposition that under the act of March 2, 1907, a contract might be let to the Lake Boat Company, notwithstanding it lost in the competition.—A. I think he filed a brief with the Attorney-General and possibly one with the Department.

Q. If he filed one with the Department, may we have it or a copy of it?—A. Yes.

Q. Was any brief filed or presented to your Department in opposition to that construction of the law?—A. The representatives of the Electric Boat Company and also the Lake Boat Company were given hearings before the contract was awarded.

Q. I mean before the Attorney-General's opinion was filed.—A. I have no information as to that.

Q. I mean before you referred him to the Attorney-General.—A. I think not.

Q. I think ex-Senator Butler testified he had filed a brief with you in opposition.—A. Before the submission of the question to the Attorney-General.

Q. Yes; ex-Senator Marion Butler. It may have been after the Attorney-General's opinion; possibly it was. He said he filed a brief or two, one before the matter was referred to the Attorney-General and one after the Attorney-General had reported. If you find such briefs will you let us have copies of them?—A. Yes.

Q. And the committee would like to have, also, if you will have examination made in your Department, and give us copies of any letters, briefs, communications, or memoranda on the subject of referring the subject to the Attorney-General, and also in regard to the letting of a contract after the Attorney-General's opinion; also the request will include any communications, briefs, correspondence, or memoranda requesting or touching or in any way relating to the letting of the contract, either before or after the opinion of the Attorney-General had been received, also any communication from either the Lake Torpedo Boat Company, if that is the proper name, or the Electric Boat Company, or their counsel or officers or agents, or from Members of Congress or of the Senate in relation to the time when tests should be made, or any other communication with reference to the interest of either of these companies from whatsoever source received. The opinion of the Attorney-General is dated July 30, 1907, as it appears. State when the contract with the Lake Company was let.—A. February 3, 1908.

Q. Was that contract the result of any competitive bidding? I do not mean a competitive test of boats, but competitive bidding for boats or any part of a boat.—A. Under the act of Congress providing money for the building of those submarines the Department called upon all bidders to first submit bids before the test was made, and the Lake Company put in its bid for different types of boats.

Q. When were those bids opened?—A. April 30, 1907, the Chief Constructor tells me. I have here a summary of all the bids. Would you like to have it [producing blueprint]?

Q. We would like to have it.

Naval Constructor CAPPS. I will send you a copy of it.

Q. Who was the lowest bidder? You have already stated you preferred an expert to testify.—A. Yes; I prefer that an expert should testify to that. It was not a question of the lowest bidder in this particular case, because they were different types of boats.

Q. What I wanted to get at was this: When this contract was let in February, 1908, was it the result of any further competition or bids in addition to those which had been submitted prior to April 30, 1907?—A. No; the Lake Company made its offer in writing to build this boat for a certain sum of money. The offer was $525,000, and they protested against no payments being made as the work progressed. I told them no payment would be made, and the contract was conditional upon the boat equaling the best boat owned by or under contract to the Government. And if it should equal the best boat owned or under contract to the Government we would then accept it and pay them for it, and that in view of the fact that no payments were to be made as the work progressed, and they undoubtedly would have to pay interest upon moneys that they borrowed, the Department would consider that when it came to the question of fixing the price, and we finally agreed on $450,000.

Q. What proportion of that amount was an allowance on account of interest?—A. Well, I figured from $20,000 to $25,000 as a matter of interest. It would take them under the contract twenty-eight months to build the boat, I think.

Q. Why should they have interest before they have the boat ready for delivery?—A. Because in all ordinary contracts made by the Government payments are made as the work progresses—a certain percentage of the cost. That was one of the elements that was taken into consideration in fixing the price.

Q. Did any other company bid or have an opportunity to bid in competition or opposition to this particular bid for this particular boat?—A. There was no other company building a boat of this kind that we know of in the United States but the Lake Torpedo Boat Company and the Electric Boat Company.

Q. The Electric Boat Company bid in competition with that bid of the Lake Boat Company?—A. No; they had already put their bid in for their boats. The contract was awarded to the Lake Torpedo Boat Company under the act of Congress authorizing the expenditure of a certain amount of money for submarines.

Q. But that authorized eight?—A. No. Congress appropriated $3,000,000, but did not specify the number of boats to be built for that sum.

Q. The Electric Boat Company had already received contracts for seven boats as the result of the bids or the competitive bidding held prior to April 30, 1907, of the competitive tests of boats at Newport?—A. Yes.

Q. This seems to have been a new bid independently of bids which were submitted April 30, 1907. What I want to know is whether the Electric Boat Company had an opportunity to bid on a boat such as the Lake Company bid on?—A. No.

Q. They were not afforded an opportunity to bid on that particular boat?—A. They were not.

Q. You have said that you stated to them that you would pay them nothing until the boat was completed. To whom was that

stated?—A. To the president of the Lake Boat Company, and in the presence of the attorney of that company, ex-Senator Thurston.

Q. Were any other persons present?—A. Not to my knowledge.

Q. Were any Members of Congress present?—A. No, sir.

Q. When was that said, at what time?—A. The first conversation was just before a contract was awarded to the Electric Boat Company.

Q. To the Electric Boat Company or to the Lake Company?—A. The Electric Boat Company. The first conversation I had with the representative of the Lake Torpedo Boat Company was just prior to awarding the contract to the Electric Boat Company, and I told them of the action of the Department, that the Department had concluded to award a contract for seven boats to the Electric Boat Company, and I told them that the Department would possibly be willing to enter into an agreement with them, specifying the terms of the agreement and the terms under which the money would be paid, and that is the matter that they took under consideration. The president of the company was in Europe at the time, and they asked me to wait until he returned to the United States, and on his return to the United States he came in to see me, and he considered the proposition, and they finally submitted an offer, and there were certain negotiations which culminated in the awarding of the contract.

Q. You say, "they asked me to wait." Who are they?—A. These representatives, I think Mr. Simon Lake, who is the father of the president of the company, and the counsel for the company, ex-Senator Thurston.

Q. You have already stated no other persons were present at that time?—A. I do not think there were any other persons present at that time.

Q. No other representative of the Electric Boat Company present?—A. No.

Q. When was their next interview with you upon the subject?—A. There were a number of interviews, I can not recall them all, and considerable correspondence.

Q. Were the interviews with one or the other or both of those two persons?—A. Practically so. I do not recall any others who were present at the time.

Q. What officers of your Department, if any, were present at those conversations?—A. The Solicitor possibly may have been present, and the Judge-Advocate-General, but I am not prepared to say.

Q. When the contract was framed—you have given the date of it, in February, 1908—were any persons present when that was signed?—A. When I signed it the Solicitor of the Department was present, Mr. E. P. Hanna.

Q. Were any parties interested in either of these boat companies?—A. Yes; the president and secretary of the Lake Torpedo Boat Company.

Q. Were any Members of Congress?—A. No Members of Congress.

Q. Do you remember whether or not at any time any Member of Congress called upon you either in favor of or in opposition to the letting of the contract to the Lake Boat Company?—A. Yes; not as to the letting of the contract, but as to the opinion of the Attorney-General and the question of the discretion that was vested in me under the act.

Q. Who called upon you with reference to that?—A. Representative Butler, I think; Representative Roberts, Representative Loudenslager, Representative Sherman, and before the contract was finally signed between the Department and the Lake Torpedo Boat Company Representative Lilley called at the Department; Senator Bulkeley, Senator Brandegee, and I am not positive whether Representative Hill was with them or not. I think he was. I think possibly Representative Sperry called at the same time. I might say that at the time Representatives Butler, Roberts, Sherman, and Loudenslager called it was after the awarding of the contract to the Electric Boat Company, but not before.

Q. The others called before the contract was let?—A. Just before the contract.

Q. In the interest of what?—A. They called and asked me, according to my recollection, about the action I proposed to take, and I told them what I had done and what I proposed to do so far as the Lake Boat Company was concerned. There were no suggestions made by them to me in any way. They simply felt it was in the interest of the Government to have two companies building these boats, so as to do away with a monopoly in submarine boats in the United States.

Q. They thought it was to the interest of the Government to have two companies making boats?—A. Yes.

Q. And those gentlemen were the ones you have named? Won't you name them again?—A. Of course this is purely recollection. I think Senators Bulkeley and Brandegee and Representatives Lilley, Hill, and Sperry called together.

Q. In the interest of the Lake Boat Company?—A. I am not prepared to say whether they called in the interest of any company at all.

Q. Do not misunderstand me. I do not mean to say they were interested in it.—A. They asked me what action the Department had taken or was going to take.

Q. They desired the action taken that you did take?—A. That was for them to say and not me.

Q. What did they say to you?—A. It is very hard to recollect everything. There was very little said at the time. They asked me what action the Department had taken or was going to take, and I told them.

Q. They did not oppose the letting of the contract to the Lake Boat Company?—A. No; they thought that decidedly for the best interests of the Government.

Q. I want to call your attention, Mr. Secretary, to a statement which has been made before this committee by a witness, a prominent Member of the House of Representatives and a member of the Naval Affairs Committee. I will read from his testimony: "I also submit as one of the facts influencing me to introduce my resolution that in my judgment under special exclusive legislation the Electric Boat Company and its predecessor have already received from the United States an excessive profit of more than $1,000,000 for the construction of its submarines, and that under the proposed legislation now pending it will receive a profit of more than $1,000,000 in excess of what ought to be justly and fairly paid for the construction of submarines provided for, and that this fact can be substantiated by your committee by calling as witnesses the expert officials and con-

structors of the Navy Department." Of course we will call those expert witnesses—at least I have no doubt but that they will appear—but we would like your judgment as to that proposition, that the Government has already paid to the Electric Boat Company an excessive profit of more than a million dollars.—A. Of course I have no information as to that at all. It seems to me that the committee could easily determine the facts by calling for the parties who build these boats for these companies and finding out from them just what their contract price was.

Q. Finding out what their contract price was?—A. Yes. For instance, the Lake Boat Company has made a contract with the Bath Iron Works to build their boats. The Fore River Shipbuilding Company is building the seven boats for the Electric Boat Company.

Q. The Department to a certain extent fixed the price?—A. Yes; as I told you before, the matter was given the most careful consideration. The question was submitted to the Board on Construction; the Board on Construction made its recommendation, cutting down the price. The Electric Boat Company people protested that the board had not considered certain matters in fixing the price, and asked that they be permitted to appear before the board. They did so, and the board after hearing them made its final recommendation to me. The Chief Constructor of the Navy is present and he can give you full information.

Q. That was in the case of which company?—A. The Electric Boat Company.

Q. In other words, on these bids for submarine boats, April 30, 1907, they were the lowest bidders, and they had the best boat, and seven boats were awarded to them, but you still cut down the price?—A. We cut their bid. It can not be said, however, that the Electric Boat Company was the lowest bidder. Their boat is different in many respects from the Lake boat. Bids were put in by both companies before the tests were made. After the tests had been made and the trial board had made its report, the report of the board, together with the bids of both companies, was referred to the Board on Construction. The Board on Construction, after considering the report, recommended that a contract be awarded to the Electric Boat Company for eight boats and at the same time recommended that a material cut be made in the price.

Q. Can you state approximately how much the Department compelled them to go below their figures?—A. The Chief Constructor is here and he can give you the figures. One group $20,000 a boat and the other $19,000 a boat.

Q. I assume that the Department intended to make as good a bargain as it could for the United States?—A. Yes.

Q. There was nothing in the legislation compelling the Department to pay money if they thought it was being robbed in the price?—A. Under no circumstances would we have paid what we thought to be an exorbitant price. We would simply have held the matter in abeyance until the meeting of Congress and then reported the matter to Congress.

Q. You would not have allowed them an undue profit?—A. No, sir.

Q. Certainly you would not give them an excess profit—that is, a profit more than fair to the amount of a million dollars; that would

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Q. You would not have allowed them an undue profit?—A. No, sir.

Q. Certainly you would not give them an excess profit—that is, a profit more than fair to the amount of a million dollars; that would

not have been awarded by the Department knowingly?—A. The full contract price of the Electric Boat Company for the seven boats was $2,200,000.

Q. That was the price you allowed them?—A. Yes, sir; for the seven boats, and some additional conditions were imposed upon them. The boats were to have a greater submerged speed.

Q. Then the bid for the contract was less favorable to them in two particulars?—A. In two particulars, reducing the cost and they were requiring a greater submerged speed. The Constructor tells me now that one of these groups should be $27,000 instead of $20,000 and the other $19,000.

Q. So that as compared to their bid the contract was less favorable to them by a reduction of $19,000 in cost for four boats, and as to the other——A. On three of the biggest ones the reduction was $19,000 each.

Q. And on the four boats $20,000 each was taken off?—A. Twenty-seven thousand dollars.

Q. And in addition to that they were required to make a better and more costly boat than bid for—that is, the Department required a better boat?—A. Yes, sir; the guaranties were higher.

Q. The Department was not compelled to buy any boat at all under the law unless you thought you were getting a fair price?—A. The Department would consider that if Congress had appropriated money for a specific purpose it was the duty of the Department to carry out the wishes of Congress, providing the prices and conditions were right.

Q. But if you and your experts had an idea that in the contract for boats the contractors were seeking to enforce figures and prices not only to realize a fair profit but also an excess of a million dollars, the Department would have felt justified in withholding it?—A. If the Department had even felt that the company was asking an exorbitant price for these boats it would not have let the contract, but waited until the next session of Congress and then reported the facts to Congress.

Q. I wish to call your attention to a provision in the naval bill to be passed upon during this year. The Committee on Naval Affairs is said to have agreed upon a provision, but has not yet reported a bill to the House. Do you happen to be familiar with that provision?—A. I have not seen the report and I only know from hearsay.

Q. I will read it and pass it over to you:

The Secretary of the Navy is authorized and directed to contract for 8 submarine torpedo boats in an amount not exceedng in the aggregate $3,500,000, and the sum of $1,000,000 is hereby appropriated toward that purpose, and to remain available until expended: *Provided*, That all such boats shall be of the same type heretofore determined to be the superior as the result of the tests held under the provisions of the naval appropriation acts passed June 29, 1906, and March 2, 1907, unless on or before October 1, 1908, a submarine boat of different type and of full size for naval warfare shall have been constructed and submitted to the Navy Department for like trial, and by such like trial by said Department demonstrated to be not inferior to the best submarine torpedo boat in the competitive competition above referred to.

For your convenience perhaps you would like to have that before you [hands paper to the witness].

Now, Mr. Secretary, in the extract from the testimony which I read to you the witness said, "In my judgment, under special and exclusive legislation the Electric Boat Company received an excess

profit of more than a million dollars." Under the opinion of the Attorney-General the previous legislation was manifestly not exclusive as to the Electric Boat Company, otherwise you would not have contracted with the Lake Company. In other words, as construed by the Attorney-General, the legislation of 1906 and 1907 was not exclusive?—A. Not exclusive.

Q. I wish to ask you this, whether as Secretary of the Navy you would construe that intended provision as any more exclusive than the legislation of 1907?—A. I would. This would limit it to one type of boat, practically.

Q. To one type of boat?—A. Yes, sir.

Q. Doesn't it say unless it shall——A. Unless on or before October 1 a submarine boat of different type and of full size for naval warfare shall have been constructed and submitted to the Navy Department for like trial.

Q. The act of 1907 says: "No part of this appropriation shall be expended for any boat that does not in such time prove to be equal." Now, in the opinion of the highest law officer of the Government, even that did not exclude the letting of a contract for the Lake boat. I ask you whether in your judgment that language is as exclusive as the act of 1907?—A. In my judgment this language is broader than the act of 1907.

Q. Explain what you mean by broader?—A. It limits the discretion of the Department, in my judgment.

Q. Does it limit as much as the act of 1907?—A. You are asking me for an offhand opinion. It says: "Provided that such boat shall be of the same type heretofore determined to be the superior as the result of competitive tests." It limits it to that particular type determined as the result of the tests to be superior. "Unless on or before October 1, 1908, a submarine boat of different type and of full size for naval warfare shall have been constructed and submitted to the Navy Department for like trial, and by such like trial by said Department demonstrated to be not inferior, etc."

Q. Down to the proviso it would restrict you to one boat?—A. Yes.

Q. Just the same as the act of 1906?—A. It is impossible to build and develop a boat by October 1.

Q. But the boat may have been under construction for a year and a half.—A. Yes.

Q. Would there be any objection on the theory that the boat would have to be a boat entirely constructed between now and the 1st day of October?—A. Possibly the Lake people might make improvements in the boat that they submitted for these tests in April last so as to meet the requirements of this section.

Q. It would not require the whole boat to be constructed?—A. Not the whole boat. They have made improvements quite recently. We are making a test this week of a Lake boat, and other tests.

Q. That is just what I wanted to ask you about. I have read this in a dispatch from Bridgeport, Conn., to the Philadelphia Press and published therein on the 18th of this month:

BRIDGEPORT, CONN., *March 17.*

Special tests of the submarine boat *Lake* was held in Long Island Sound near here to-day under the direction of a naval board consisting of Capt. Adolph Marix, Commander C. C. Marsh, and Naval Constructor D. W. Taylor, the object of the test being to demonstrate the *ability of the craft to* maintain an even keel.

The boat was submerged and was driven ahead in 30 feet of water for thirty minutes. There were submergency tests at 30, 20, and 10 feet, and at the first-named depth the submergency was made in 2.28. The boat returned here early this afternoon, and the naval board returned to Washington to report to the Secretary of the Navy.

Who was that board appointed by?—A. Appointed by me.

Q. Has it yet made its report?—A. The report has not yet been made to me.

Q. Assuming that that provision be enacted into the law, and this boat which your board was testing on the 17th instant should prove to be demonstrated to be not inferior to the best submarine torpedo boat in the competitive competition referred to, would you not feel under this law authorized to buy the Lake boat?—A. Yes; if the Lake boat should upon test equal the best boat owned by the Government or under contract to the Government, I should say the Department had a right to enter into a contract with the Lake Boat Company.

Q. Or, if between now and the 1st of October, contract for any other boat that might be——A. Certainly.

Q. You would feel authorized to purchase it?—A. Yes.

Q. Independently of the date of the competition, would you or would you not say that a provision that the Government should buy a boat of a type which was by the unanimous report of your board the best boat, according to the competitive tests, unless a better boat should be developed?—A. In the first place no contract would be awarded by the Department until after the 1st of October, the time limited in this act that you have there. Then, if no boat had been developed in the meantime equal to the best boat owned by the Government or under contract by the Government, in my judgment, it would confine us to the one type of boat, and we would have to award the contract to the Electric Boat Company.

Q. Would you or would you not say that that would be a wise provision of legislation, to confine the purchase to a boat that had already been demonstrated to be the best boat unless a better boat should be developed?—A. Well, the Department would not be likely to enter into a contract for an inferior boat.

Q. I assume that, but at the same time would it be wise legislation, or would it be unwise legislation?—A. I do not think it is unwise to provide that the best boat should be chosen, but without that provision the Department would try to select the best boat. After all, the question remains with the experts of the Department.

Q. Both under the act of 1907 and under this proposed act of 1908?—A. Yes, sir.

Q. What I want to emphasize a little more is that even as this stands, is it as exclusive as the act of 1907, which limited the appropriation to the purchase of any boat which in the Newport test proved to be best? Now, the Attorney-General has held in a written opinion that even that did not prevent the purchase of the Lake boat; so upon the face of his opinion it would seem to a landlubber, who had never been at sea, among these boats or otherwise, that this proposed act of 1908 is not as exclusive in terms as the act of 1907 was, for that seemed to restrict the Department to boats of the type of the ones in the Newport tests, yet under that the Attorney-General holds you have a discretion.—A. Of course Congress must have intended that the Department could enter into a contract and for the boats that equaled the best boat in that test, and not the boat that actually took *part in the test.*

Q. As to the question of the date within which the contract shall be made this committee has nothing to do. That is to be passed upon by Congress, but as the appropriation which Congress will make will be for the fiscal year ending June 30, 1909, if you are to get boats at all, under that appropriation, you will want to let contracts some time within that year surely?—A. Yes.

Q. Would that or would that not be a fair and reasonable date?—A. That is for Congress to determine.

Q. In your judgment?—A. I simply say if that date is in the act we would make no contract until after the 1st of October, because a boat might in the meantime be developed which would be equal to the best boat owned by the Government or under contract.

Q. If that date were not in there, would you let a contract at all on or before October 1; if that were not in there, would you let the contract earlier?—A. I would.

Q. Would you think it desirable to let contracts earlier than October 1, 1908?—A. I do not see any reason why a contract should not be awarded as soon as the appropriation was available.

Q. Then would not the extension of the date to October 1, 1908, be rather in the interest of the Lake Torpedo Boat Company?—A. The Lake Torpedo Boat Company might possibly make such changes in its present boat as to come up to the requirements of the act. I have heard informally that on this recent test they have met all the submergence requirements in which they failed in the tests made at Newport. There has been a decided improvement in that respect. The report has not yet been submitted to me, but I understand informally that they did meet the requirement of the submergence tests, or the control under submergence.

Q. Then if no contract before October 1, 1908, they would still have a further time for improvement?—A. Yes.

Q. In that respect would not this bill be in their favor?—A. To a certain extent.

Q. The Lake boat which was tested a day or two ago does not belong to the Government?—A. No.

Q. Was not built under a contract with the Government?—A. No.

Q. Was the Holland boat—if that is the proper term—the *Octopus*, I think, which was the rival of the other company which entered into competition at Newport——A. The *Octopus* was being built under contract.

Q. What is the length of the Lake boat, if you know, Mr. Secretary—the one that was tested?—A. The chief constructor tells me he thinks 85 feet.

The CHAIRMAN. Does any other member of the committee desire to propound any questions to the Secretary?

By Mr. STEVENS:

Q. Mr. Secretary, I would like to ask a few questions concerning the general policy of the Department along the lines upon which you have testified. You have stated it is the policy of the Department not to allow a monopoly or encourage monopoly, so that you can have competition of boats. We all realize the wisdom of that. Now, under the opinion of the Attorney-General, as I gather from your testimony, the tests that were provided by the law of 1906 and 1907 only had the effect of fixing a standard as a minimum upon which

you could award a contract, is that it? That is to say, the test furnished a basis for a minimum efficiency, and you had no right to let a contract for any vessel that did not come up to that minimum of efficiency; you had a right to let contracts for vessels which equaled or exceeded that minimum of efficiency, is that it?—A. I think so.

Q. I have stated the practical construction of the opinion of the Attorney-General, as I gather it; is that right?—A. Yes, sir. What the Attorney-General says on page 8 is:

It follows from what has been above said that while the first three findings of the board, which have met your approval, embody facts suitable for your consideration in determining, as a matter of discretion, whether you will or will not expend any part of the moneys appropriated by the acts mentioned in your first question to me for the construction or purchase of a submarine boat or boats of the Lake type, they are, nevertheless, not decisive of this question, and you are authorized, in my opinion, to expend some part of the said moneys for the construction or purchase of one or more boats of the type mentioned, provided you shall be satisfied that the boat, or each of the boats in question, when completed in accordance with the terms of contract to be made by you with the builders of the same, shall be at least equal in value, for purposes of naval warfare, to the *Octopus*, or whatever boat may have been, in your judgment, on March 2, 1907, the best boat of the submarine class owned by or under contract for the Government.

Q. Then I was correct in stating that that opinion was that that then furnished the basis for minimum excellence of any boat for which you had a right to make a contract?—A. Yes, sir.

Q. Now, you have stated in your examination that when Congress makes an appropriation of the character that it did in those acts of 1906 and 1907, that the Department feels impelled to expend that appropriation for the purposes for which Congress desired; that is, if it makes an appropriation of a million dollars for building submarine boats that you feel impelled rather to spend that million dollars unless some good reason appears?—A. That is right, unless some good reason thereafter should appear.

Q. Now, under that construction of the Attorney-General, then——A. If conditions should change or anything of that kind, as I said before, we would hold the matter in abeyance until Congress met and submit the matter to Congress.

Q. I am considering that there is nothing intervening, that the matter is presented just the same. Now, under the construction of the Attorney-General, then, it was possible to award contracts to a loser in the tests for all of the money instead of awarding any to the winner in the tests. I say it was possible under that construction of the law?—A. Yes, sir.

Q. And you do not feel at all responsible for the language of the statute?—A. I do not; the Department had nothing to do with that.

Q. Now, what I want to get at, what, in your opinion, is the effect of such a policy; does it or not tend to encourage competitors to introduce the best possible type of vessel into competition when they know it is possible that they may not get a contract out of that competition, but that the loser in that competition can use that test as a minimum for excellence, introduce some boat that may meet the approval of the Department and then get the contract for the whole appropriation? You see what I am trying to get at?—A. I think I do.

Q. Does that sort of policy encourage the best possible development of vessel in the tests?—A. I do not know that I can answer that question. It would be simply my opinion, that is all. As a matter

of fact, I think it would be better to leave this entire question to the judgment and discretion of the Department.

Q. Even if the Department had this whole matter before them, would this not be the policy that the Department would be confronted with, even conceding that it would be less open? You do not desire to have a monopoly on the one hand, you want to encourage competition in building vessels?—A. Yes.

Q. Which we realize the wisdom of. On the other hand, the Department wants the bidders to be entirely frank and square and present the very best possible type of boat that can be produced at the time. Now, if a policy is adopted by which a test between different competitors furnishes only a basis of minimum excellence and that after that basis is determined the loser may have an equal chance for getting the contract for all of the money, are you apt to have a standard of excellence as high or the type of boat as good as though the winner was encouraged and knew that he would get a contract if his boat was superior?—A. There is no possibility of the loser getting the contract for all of the money. The winner in this competition was awarded the contract for seven boats, the loser under certain guaranties was awarded a conditional contract for one boat.

Q. I was coming to that.—A. If there was no limitation the Department could make such a contract, for instance, as we made with the Lake people, that no money was to be paid until the boat was accepted; they would have an opportunity to build a boat, and then when the boat was built and presented for test, if on test it should prove to be equal to the best boat or superior, the Government would take it, and the Government would take no chances on that. In that way you would, in my judgment, encourage competition better than you would by simply providing that there should be a test made for all boats at a certain time.

Q. What has been the policy of the Department as to other types and classes of vessels?—A. I am not in a position to answer that question. I have only been in the Department for a year. The Chief Constructor may answer that question. Other boats are built, as a rule, under Department designs. Of course with submarines the companies hold patents for submarines, and the patents, as I am informed, have not yet expired.

Q. Under that construction of the law you had just as much right to let a contract for seven boats to the Lake and one to the Electric Boat Company?—A. Of course the Department would not have under any circumstances awarded——

Q. I am speaking of the question of authority. You had the authority?—A. If in the judgment of the Department they could build a boat that was equal to the best boat owned by the Government.

Q. I am trying to arrive at the question of policy, whether the statute provides it or not, what is the best policy in developing the best type of boat?—A. The best policy, in my judgment, is to leave it to the discretion and judgment of the Department.

Q. Then you think that you can get just as good a type of boat by using tests, allowing competitors to enter those tests, have the opportunity of finding out what boat has the best record in those tests, and then allow any competitors to make some changes which would meet the approval of the board and then get contracts, although

he might have been a loser in those tests. Do you not think that that rather encourages a lack of frankness on the part of competitors?—A. Encourage what?

Q. Lack of frankness on the part of competitors for this reason, that the basis of excellence would be furnished by the test itself rather than by——A. I do not think we would have any boats to make the test with. The Lake people have been working on a boat for a number of years; they have developed a boat, and, acting upon the experience gained in the building of this boat and other boats, they were willing to enter into this contract. Other parties may be willing to do the same thing; they may be willing to put their money in a boat if they know that the Department is willing to purchase the boat providing the boat comes up to the Department's requirements.

Q. That is just what I had in mind.—A. But they might not be willing to build an experimental boat for the purpose of taking part in the tests.

Q. I am not stating that it would, but might it not? The Electric Company and the Lake Company enter a competition, the Electric Company with its boat, which is approved by the various officials and boards of your Department. The Lake people had not introduced into their boat that entered that competition the very latest and best of their designs or inventions; they wait until after the competition, and then take that same boat and only put enough of those inventions or designs that they withheld in it to equal, in the judgment of the board, the boat that won. Now isn't that situation liable to arise under that method?—A. Of course it is likely to arise. In the Lake boat they have met one of their requirements in which they failed when the test was made; they might meet the other requirements before the 1st of October.

Q. Are you as likely, then, to have as frank and fair dealing by other competitors by that method as you are if you compel them to furnish the very best they have, and then give the contract to the one that furnishes the very best boat? I want to know your judgment, from your long experience. By which method do you get the very best type of boats and the best dealings and frankness with the competitors?—A. By requiring them to meet the Department's specifications I think we will get the best boat. The Department, for instance, in this particular case, calls for a certain steaming radius, certain submerged speed, and speed on the surface and other matters. Now, if they can meet those requirements, it seems to me we get much better boats than we would the other way Of course I would rather you would ask those questions of the chief constructor, whose business it is to design and build boats. He can give you the information. It is simply an expression of opinion from me.

Q. One thing more, as a matter of policy. When you have to determine as a matter of departmental policy between establishing a monopoly in the construction and contracts on the one side and encouraging the best possible development on the other, this situation might occur, according to our questions. Is it of such importance that you consult your colleagues in the Cabinet or otherwise? Is this one of the important questions of your Department?—A. It strikes me it is a question for the Department itself to determine.

By Mr. OLMSTED:

Q. Would it not be better to fix a date for competition each year, the winner to have the entire contract?—A. I do not think so.

Q. Well, now, you said, Mr. Secretary, that in your judgment it would be better to leave the whole matter to the discretion of your Department?—A. Yes, sir.

Q. Would that same opinion stand as to all the various vessels used in the Navy?—A. We have that discretion, as I understand it, at the present time. There is no limitation upon any vessel built by the Navy outside of the submarine. There is a limitation that not more than one battle ship shall be built at any one yard.

Q. Let us see about that. I find in the act of 1906 for one first-class battle ship carrying as heavy armor and as powerful armament as any known vessel of its class to have the highest practicable speed and greatest practicable radius of action; that is the act of Congress.—A. Yes, sir.

Q. Now, then, it goes on and tells how they shall be divided; three torpedo-boat destroyers to have the highest practicable speed, contract to be let to the lowest, best responsible bidder; then I find that they have specified the conditions.—A. Congress simply wants the best practicable.

Q. What I mean is, Congress itself has determined whether it is to be the biggest ship or the best torpedo boat, and if it were acting on your suggestion we would simply appropriate a round sum of money and leave that to the Department.—A. Has Congress at any place in the act there limited the tonnage or the displacement or the horsepower?

Q. I am not sure about that. For that matter, they never have and never supposed to in the submarine appropriations; simply desire to get the best.

By Mr. HOWARD:

Q. Mr. Secretary, was the type of boat provided for by the last act of Congress fixed by the conditions imposed by the experts of the Navy Department?—A. I am not prepared to answer that question. The recommendation, I think, was made by my predecessor.

Q. Do you not know that the tests under which this type of boat was developed were tests prescribed by the experts of the Navy Department?—A. No.

Q. Then the requirements of the Navy Department puts into its contract as to what the efficiency of these boats shall be. Are those requirements derived from the knowledge and experience of the Navy Department or dependent wholly upon the inventor of the boat?—A. I think upon the knowledge and experience of the Navy Department, experts of the Department.

Q. Then if Congress in its last act on this subject provided that boats of the type which would meet the approval of the Navy Department by its own stipulations of its qualities of excellence was Congress doing any more than ratifying and approving these judgments of the Navy Department?—A. No.

Q. Then would you have made the Lake contract, under the last act of Congress, on your own judgment as Secretary of the Navy?—A. Yes; I would.

Q. Then why was the question referred to the Attorney-General?—A. It was a question of discretion as to whether the head of the Department was not bound to award the contract to the company winning out in the test. Upon my first reading of the act I was of that opinion.

Q. That he had the discretion?—A. That I had no discretion; that I was limited to the boat that was proven to be the best boat on that test.

Q. Did you change that opinion on that subject until after the Attorney-General thought it was within your discretion?—A. I did not.

Q. Then, acting on your own judgment, would you, without referring the question to the Attorney-General, and without his opinion, would you have made the contract with the Lake Company?—A. Of course I would not have made the contract with the Lake Company unless I felt I had the discretion. At first I did not feel that I had any discretion under the act; it was simply a hasty reading of the act.

Q. Then you did not change your opinion?—A. After I referred it to the Attorney-General for an expression of opinion, and after I had read his opinion carefully, I came to the conclusion I did have the discretion. Whether I came to that conclusion or not, he was the legal adviser of the Department and I would be justified in following his decision.

Q. You followed it out?—A. I followed it out.

Q. So that the manner in which the Lake contract was made was at that time on the opinion of the Attorney-General as to the provisions of that law?—A. That is right.

Q. Now, then, if the provisions of that law do not contemplate the letting of the Lake contract in the contemplation of Congress, and Congress wanted to prevent in the future that its preference for a type of boat should be left to the judgment of the Attorney-General and should be relegated from the judgment of the Navy Department to the Attorney-General, could it more wisely provide against that contingency than by making the thing as strong as it is made in this proposed amendment. In other words, how else would Congress protect itself?—A. It would be simply an expression of opinion on my part.

Q. I will tell you the purpose of my question. If it is possible under the terms of this investigation to show that the act is susceptible of two interpretations, one consistent with innocence and honor and the other by a different interpretation of motives inconsistent with that, I merely want you to give this Committee on Naval Affairs the benefit of the two constructions, that is my purpose, and if the last act of Congress operated practically to defeat its will by the opinion of the Attorney-General, how can Congress avoid a repetition of that except by making the language in the next bill beyond the peradventure of doubt?—A. That is for Congress to determine.

Q. I think it is possible that this is an effort in this language to do that.

The CHAIRMAN. Is there any other party in interest who desires to propound any questions.

(Questions submitted by Mr. Littleton.)

By Mr. HOWARD:

Q. Is not the only substantial difference in the naval committee's suggestion of the provisions and your own recommendation that the words "on or before October 1, 1908," are used instead of "in the meantime?"—A. Practically the same.

Q. The next is: Are you in favor of postponing the purchase of submarines until somebody has developed a boat superior to and of a different type from that of the Electric Boat Company?—A. No.

Q. Is competition as such more desirable in your opinion than the getting of the very best possible boat?—A. We want to get the very best possible boats.

Q. Is it not better to determine the kind of boats to be built by a test of mechanical superiority rather than the submission to mere economic competition?—A. Read that question again.

Q. Is it not better to determine the kind of boats to be built by a test of mechanical superiority rather than the submission to mere economic competition?—A. I prefer to have the chief constructor answer that question.

The CHAIRMAN. Is there any Member of the House of Representatives present who desires to ask any questions of the Secretary of the Navy? Is there any one present interested in this investigation, personally or by counsel, who desires to ask any further questions of the Secretary of the Navy? If not, Mr. Secretary, that will conclude your examination. If you will kindly have search made in the Department and send the documents and memoranda, and if it should be necessary the committee will ask you to come before it again. In the meantime the committee are obliged to you.

TESTIMONY OF ADMIRAL WASHINGTON LEE CAPPS.

WASHINGTON LEE CAPPS, being first duly sworn, on being examined, testified as follows:

The CHAIRMAN. I will ask Mr. Howard to propound any questions that may be necessary.

By Mr. HOWARD:

Q. Admiral, I will start by directing your attention to one of the specific charges that we are to investigate: It is as to the cost and so far as you know about it the building of submarine boats, and the difference in cost of different types of submarine boats and how far the Navy Department is possessed of accurate information about the elements of cost with a view to determining whether or not a charge that in the last contract for submarine boats made by the Government with the Electric Boat Company lost a profit of about a million dollars to the Electric Boat Company, which profit was excessive, exorbitant, and indicative of improper methods both in legislation and in securing the contract. Now, you have got the scope of the question and we would like you to give the committee all the information concerning it.—A. In the first place, it is exceedingly difficult to arrive at what might be termed an accurate estimate of cost of any object which has been developed after long experimentation and also involves patent rights. It may be stated as a fact, however, that the value of the contracts recently awarded by the Navy Depart-

ment to the Electric Boat Company for submarine boats is as follows: Four boats at $285,000 apiece; three boats at $360,000 apiece, or a total of $2,220,000, I think; so that, if there were a million dollars' profit over and above what should be a normal profit in these contracts it is something entirely beyond my knowledge as an expert. The Board on Construction, of which I am a member, had referred to it the various bids submitted by the Electric Boat Company and the Lake Torpedo Boat Company, under date of April 30, 1907, these bids having been submitted prior to the competitive tests specifically required by act of Congress.

Q. Pardon me a moment. I want to give you the precise language of this charge; it widens the scope of the question slightly:

I also submit as one of the facts influencing me to introduce my resolution that in my judgment, under special exclusive legislation, the Electric Boat Company and its predecessor have already received from the United States an excessive profit of more than $1,000,000 for the construction of its submarines and that under the proposed legislation now pending it will receive a profit of more than $1,000,000 in excess of what ought to be justly and fairly paid for the construction of submarines provided for, and that this fact can be substantiated by your committee by calling as witnesses the expert officials and constructors of the Navy Department.

In continuing your answer I would like also for it to be made plain that the contract price of any one of these vessels is a matter regulated by the Department and is not a matter of legislation and is not the thing that Congress does; Congress appropriates an item and the matter of cost for each unit is fixed by the Department?—A. Exactly. Then I will take your last question first and state that the Navy Department, and not Congress, fixes the unit price of submarine boats and that so long as I hold my present office I shall not be a party to any recommendation which would give, on a contract of this character, a profit which would be, as indicated in your question, so grossly in excess of what might be considered a fair profit. These bids, as I previously stated, were submitted on April 30, 1907, before the competitive trial of the boats themselves. The competitive trial was held and a report was submitted later. The report of the trial board was unanimous. The composition of that board is worthy of special remark, because the desire of the Secretary of the Navy was to have its membership composed of officers who had not theretofore been in any way concerned in the tests of submarine boats, and its membership was chosen with that object in view. As stated, the report of this board was unanimous and the essential recommendation of the board has already been read to you by the Secretary of the Navy.

The report of the trial board was referred on June 15, 1907, to the Board on Construction, of which I am a member. That Board, after reviewing the facts reported by the trial board, stated that it concurred in the opinion of the trial board as to the *Octopus* having been superior to the other boats submitted for tests. It further went on to recommend, however, that a reduction should be made in the bid price of boats contracted for and that the guaranteed requirements as to submerged speed should be raised in each case. In other words, while the Department might have awarded contracts at the bid price to the bidder who distinctly won out in the competition, the Board on Construction recommended and the Department approved a reduction in the price and an increase in the guaranteed speed. The company whose boat won in the competition protested *against any such action* and stated that they had bid in good faith,

and so fortn, and should be entitled to the benefit of their successful competition. The matter was again referred by the Secretary of the Navy to the Board on Construction, and the representatives of the Electric Boat Company were given a hearing by the Board. It then developed that there were certain features proposed to be incorporated in the boats bid upon which were distinct improvements over those already upon the type of boat which had been in the competition. Certain of these features were regarded by the Board as of doubtful utility, and they had not been previously incorporated in submarines built for the United States Navy, and they were therefore eliminated. The price previously recommended by the Board was adhered to; the raising of the standard of performance was also adhered to, and the Department approved the recommendations of the board to that effect.

Q. You had been dealing with these matters in the Navy Department for how long, Admiral?—A. I was appointed Chief Constructor on October 31, 1903.

Q. Have you a standard or anything approximately of what you think is a fair and reasonable profit in letting contracts on various forms of construction, particularly this form?—A. The contracts for and character of construction for submarine boats are not exactly comparable with those of other vessels built for the Navy Department. In all other vessels the plans are prepared in great detail by the Department, and the characteristics to be developed are fully set forth. The plans, specifications, and circular defining the chief characteristics are prepared and furnished to all prospective bidders and they bid upon the building of vessels which will conform to the requirements of definite plans, specifications, and characteristics. Bidding under these conditions becomes, then, a perfectly clear-cut competition in price to furnish a particular and definitely described article. In the case of submarine boats, as I have previously stated, it is more or less like bidding on a proprietary article, and the Navy Department itself must make up its mind as to whether it wishes that particular article. It is the Navy Department's entire responsibility and right to enter into no contract at all if it thinks that the price is excessive, or it may scale the price to what it thinks is reasonable. In a competition between boats of very dissimilar type it is almost impossible to determine an accurate basis of comparison in cost. One boat may have more engine power to drive it on the surface, another may have more power to propel it when submerged; another may have more fuel endurance; various qualities and characteristics may vary in the different types and it would be almost impossible to establish an exact basis of comparison. The best we can do is to compare prices on these boats with those of similar work performed on other vessels, and as the Navy Department has complete authority to contract for or not to contract for such boats it would use its best judgment. Of course, if it fails to contract for any boats it could refer the matter to Congress and leave with Congress the responsibility for additional action, if such seemed necessary. The Department must take the responsibility of determining whether the price is a reasonable one, but, as I said in the beginning of this statement, when we are dealing with the cost of construction of vessels that have been developed only after extensive experimental work, we can not properly gauge the correct contract price by the actual

cost of building without regard to the previous cost of development of special features. If the Department attempted to do that, it would unquestionably stifle development and competition of all kinds in that class of work. In the case of work for which specifications and elaborate plans are prepared the Department can go on the basis of accepting the lowest bid on any such work, because it has already definitely and clearly set forth the characteristics to be developed. In this manner I have no doubt that in some vessels built for the Navy Department we have gotten work done almost at cost, practically without profit. In fact, the Navy Department has been singularly fortunate recently in getting some of its large ship construction work performed by contract at a very low figure.

Q. Have you any knowledge of the cost of ship work of other governments?—A. I have to a certain extent; but, as you are aware, all information of that kind is very difficult to obtain, at least accurately, and with respect to submarine boats entirely reliable information is not obtainable—that is, thoroughly reliable. I have had certain estimates prepared from the published estimates of the British Admiralty—official documents, and to that extent to be relied upon—and I find that for the first submarine boats built in England, which appear to have been practically duplicates of our *Adder* type, 63.4 feet long and about 120 tons displacement, their cost was about $180,000 each, which is slightly more than we paid for similar boats. The next British boats built were longer and of about 180 tons displacement, and their cost, as indicated by official estimates, was from about $230,000 to $200,000 each. The "B" and "C" classes are very similar to the *Octopus* type, though somewhat larger, and the estimated cost of these classes is about $250,000 to $230,000 each in England. Now, these figures are not absolutely accurate, but they are the most accurate we can get from public official sources. The cost of boats of this class recently contracted for is $285,000 in this country. hen one considers the difference in cost of labor and material in this country and England, it is evident that $285,000 here could hardly be considered grossly excessive, as compared with $250,000 in England. Those who have knowledge of the cost of shipbuilding would scarcely have doubt in the matter. As I said before, however, I think an exact determination of what the cost should be is exceedingly difficult. The board on construction used its best judgment and arbitrarily recommended a reduction in the contract price of the smaller boats of $27,000 for each boat, and in the case of the larger boats $19,000.

Q. Admiral, are you prepared to express an opinion as to the number of boats this Government could use of the types which have been selected and approved?—A. That, sir, is a question of naval policy that I might form an opinion upon, but the answer to which I think might come with greater propriety from the Navy Department or officers who are dealing with these matters directly.

Q. The purpose of the question is this: That if the present number of boats contracted for is adequate to meet the needs of the country and the needs of the country must be determined by experts dealing with these questions, then legislation calling for additional boats would seem to be a waste of money; if the numbers, however, provided for and in existence are not within the judgment of experts as many as the country considered its harbors and coast line called for *then the question* as to whether the number called for in this pending

naval bill, the wisdom of that, the harmony of that act with honest purpose would be determined by the ultimate needs of the country.—A. I can state unhesitatingly that the addition of ten submarine boats to the defenses of this country would be by no means in excess of the requirements.

Q. Now, will you give the committee, please, such information as you have on the question of adoption of submarines as a line of defensive implements of the country and its development?—A. That is rather a long history, Mr. Representative.

Q. We mean going back say eight or ten years, and I fix it at that and ask questions only because that is the charge relating back and covering the period of the Electric Boat Company with the Government. That is the reason for going into at all.—A. I can only give you, at this moment, accurate data concerning matters that have come within my personal notice, since I have been chief constructor. The correspondence up to February, 1905, I think, has been printed in the "hearings of the House Naval Committee," if I mistake not, in 1905 (No. 75, third session, Fifty-eighth Congress), so that you have available in printed form all correspondence up to that date. The contracts for submarines which have come within my personal knowledge are those for the *Octopus*, *Viper*, *Tarantula*, and *Cuttlefish*, and the seven last contracted for. The procedure in the case of the *Octopus* was perfectly direct and fair, and in the case of the two last named, the *Tarantula* and *Cuttlefish*, I insisted upon recommending that the contract price of these two additional boats be made $15,000 less than that for the similar boat that had been previously contracted for, on the general principle that the three boats could be unquestionably built at a less cost per boat than one boat. This recommendation was approved by the Secretary of the Navy. As in the recent case, this action caused the representatives of the Electric Boat Company to protest that it was rather arbitrary treatment, but it seemed to me to be entirely wise and just, and I would not hesitate to so recommend again under similar conditions.

Q. Now, then, Admiral, as to the requirements prescribed by the Navy Department for these boats, the test of excellence, please give us the origin of that, who determines that, whether Congress has ever attempted to determine it or whether it has always been in the control of the Navy Department and whether the adoption at any time is not, at least so far as Congress is concerned, merely a recommendation of the expert opinion of the Navy Department.—A. So far as concerns submarine boats, Congress has invariably left the determination of the details of all characteristics entirely to the Navy Department. It is the only type of vessel that has been so treated. In the tests which have taken place, competitive or otherwise, the Department has specified the general character of the tests and the general features which should be considered and the actual comparative data so obtained have formed the basis of the Department's subsequent action. When it comes to making a contract for such a boat, however, certain detailed characteristics are provided for and embodied in the contract and specifications, and the contractor must then live up to those specified requirements and has little latitude except to make them more efficient. As I noted a while ago, despite the fact that the *Octopus* proved itself distinctly the better boat in the recent competitive tests, the Navy Department

did not contract for similar boats on the exact guarantees that had been named in the previously submitted bids, nor did it give the prices named in those bids. It raised the guaranteed speed and decreased the price to be paid—all in the direction of protecting the interests of the Government.

Q. Now, under the conditions under which tests are made between rival boats, boats of different types, is that a matter exclusively in the jurisdiction, in the control of the Navy Department, or does Congress attempt to govern it by legislation?—A. The acts of Congress, or rather these clauses of the naval appropriation bill which have been previously read indicate the kind of tests (comparative, competitive, etc.) that should be made, but such language was entirely general and gave large discretion to the Department.

Q. Is it sufficiently general to leave the Department to the full and free exercise of its wisdom to apply to that particular thing?—A. You are speaking of acts already passed?

Q. Yes.—A. That language has already been interpreted by the highest legal authority as giving the Navy Department a broad discretion.

Q. I really do not mean to go into that. That is a different phase of it. What I am after is this, is there anything that enters into the quality of a submarine boat as a thing fitted and suitable to be used for the purpose for which it was intended that Congress undertakes to dictate to the Navy Department about the provision calling for it?—A. Congress has prescribed no details whatever.

Q. Then if the submarine boat is a success it owes nothing of that success to the intelligence of Congress on that subject?—A. I would not like to answer a question which might be construed as a reflection upon the intelligence of Congress.

Q. Congress then merely supplies the money on the judgment of the Navy Department?—A. Yes, sir.

Q. And that is the only connection it has with it?—A. It has qualified its authorization to the extent of providing for certain general tests.

Q. The Secretary of the Navy stated that he would construe the language in the pending naval appropriation bill as preventing the letting of the contract until the date named in October, a limiting date up to which additional or rival experiments could be made. Assuming that that is the correct interpretation of that language, the direct effect of that would be to suspend additional or future building of this class of boats until that time had elapsed?—A. Unquestionably.

Q. Then if it extends the time from July 1 to October, it is a suspension of that length of time of increasing the strength of the Navy in respect to torpedo boats. If you increase the time to one year or two years or three years, such a time being intended to permit the beginning, construction, completion, and testing of a rival boat, the effect of that will be to suspend the building of torpedo boats during that entire time?—A. Unquestionably.

Q. So that if Congress made it a matter of eighteen months, two years, or any other time, it would be within the comprehension of Congress that it meant thereby to suspend the construction of submarines for that length of time?—A. That is a fair inference, in my opinion.

Q. Then, if it is the desire that submarines should be constructed and that construction should continue with not too much rapidity, and that it should be continuous, a provision to lengthen the time would tend to the interruption of that programme?—A. It would.

By Mr. STEVENS:

Q. Admiral, the charges that are before the committee contain three specific allegations of wrongful doing in the letting of these contracts. First, by special and exclusive legislation the Electric Boat Company and its predecessor have already received from the United States an excessive profit of more than $1,000,000 for the construction of its submarines. Under the opinion of the Attorney-General that has been referred to, do you know of any special and exclusive legislation in favor of the Electric Boat Company compelling you or your Department to let contracts to it?—A. The determination of questions of that kind, such as the letting of contracts, etc., lie, of course, with the Department itself, Mr. Representative.

Q. Do you know of any special and exclusive legislation, in view of the opinion of the Attorney-General, compelling your Department to let contracts to one company?—A. Under the interpretation of the Attorney-General, the Navy Department is not restricted.

Q. So there is no special and exclusive and special legislation that you know of?—A. None, under the conditions noted.

Q. Up to the present time?—A. Up to the present.

Q. Have you the Yearbook of 1907?—A. I have not.

Q. I call your attention to page 583, fourth paragraph, which reads as follows: "Act of June 7, 1900, provided for construction of five submarine torpedo boats of *Holland* type, and the Department on August 25, 1900 (referring to acts of 1896, 1899, and 1900), contracted for the *Adder*, *Grampus*, *Moccasin*, *Pike*, *Porpoise*, and *Shark* at $170,000 each," which were six in number. What is the reason that the names of six are given when the statute calls for five?—A. That will have to be looked up, sir. It was before my time.

Q. Will you furnish the committee the information?—A. Yes; I will have the matter looked up.

Q. Will you retain that book? I would like to ask you questions about it. Next page, 584, appears a list of nineteen torpedo boats that have been purchased by the Department under appropriations up to date. To that should be added the Lake boat, should there not?—A. Yes, sir; but that is contracted for in an entirely different form from the usual contracts for naval vessels.

Q. That list of boats, with the contract price—excluding the Lake boat—aggregates $4,410,000, as I add it, and with the Lake boat added would be $4,860,000, as I add it. That would be the total contract price of all the submarines under all legislation up to date, would it?—A. Yes, sir.

Q. Do you consider from your experience that in that amount there is one million dollars of excessive profits to the contractors in the construction of those vessels?—A. As an offhand statement, I should say not.

Q. Approximately, what percentage of profit do you estimate will be fair in your award of contracts?—A. As I tried to make clear in the beginning, an accurate estimate of cost with respect to constructions such as submarine boats which involve patent rights for fea-

tures which have been developed after long experimentation is exceedingly difficult to determine. If we accept as accurate the statements of the builders, the last contracts contained very little profit. We had to use our best judgment in the matter. Data was prepared giving a comparison between the cost of different classes of work on these boats and similar classes of work on torpedo-boat destroyers, for instance. The board used every means it could to determine a fair estimate of cost and a fair proportion of profit, but as you may readily understand, we were very much in the dark as to what would be the exact cost, taking everything into consideration; we simply used our best judgment and cut down the bid prices very considerably.

Q. But you are clear, then, after looking over this list of vessels and the information you have in hand, that after conceding what you think is a fair profit upon that basis that there is not a million dollars excessive profit in this $4,860,000 of total appropriation?—A. Just as an offhand statement I should say not. Of course I have not gone into the details of the cost of any except those contracted for since I have been Chief Constructor.

Q. How many contracts have you supervision of?—A. Eleven have been contracted for since I have been Chief Constructor.

Q. Out of twenty?—A. Eleven out of twenty.

Q. And you might add to that the last one?—A. The last one was in the form of an "agreement" with the Lake Boat Company—no payments to be made until the vessel was satisfactorily completed. The only connection I had with that agreement was to prepare a memorandum of the probable cost for the Department's information.

Q. I notice from this report that the eleven out of twenty that you have had charge of cost considerably more than the nine that were contracted for by your predecessors. Now, why has there been that larger price for the vessels?—A. It is obvious from the dimensions of the vessels; they have gone from 81 feet to 105 feet and 133 feet in length; they have also increased the speed and developed the boats in other directions.

Q. So that that estimate made by naval officers in previous reports and in previous hearings can not be considered a fair basis for the vessels that you have contracted for?—A. I should say not. If you compare merely the cost per ton, the cost per ton of the last vessels contracted for is considerably less than that of the earlier ones; but I can not accept as a statement of fact that the cost per ton for a vessel of that character is a fair basis of comparison, unless they had in all cases identical characteristics.

Q. Now, Admiral, as I calculate roughly the nine vessels constructed previous to your administration cost about $1,800,000, the eleven vessels constructed under your administration cost about $3,000,000, so that if this million dollars of the excessive profit be distributed proportionately there would then be about between six and seven hundred thousand dollars of excessive profit in the vessels that you have had charge of. What do you know about that?—A. What I know is embodied very clearly in the recommendation of the board on construction, which I signed as a member of that board and which I will place with the committee. (Appendixes A, B, and C attached hereto.) We did not act on the basis of a $1,000,000 *excessive profit* at all; we simply went into the matter (as I have

previously stated) as carefully as we could and made a definite and positive recommendation which was signed by all of the members of the board.

Q. If the board had any idea that there was this amount of excessive profit would any such contracts have been awarded?—A. They would certainly not have been consummated at prices which would indicate such an excessive profit.

Q. Admiral, the second charge that is made, "and that under the proposed legislation now pending it will receive a profit of more than one million dollars in excess of what ought to be justly and fairly paid for the construction of submarines provided for." If I recall, the proposed item in the naval appropriation bill provides for $3,500,000. Under the method of that Department and the way you have stated in this examination, is it possible that there can be an excessive profit of a million dollars out of a total appropriation of $3,500,000?—A. That appears to be entirely a supposititious case. The appropriation has not been made and we do not know what sort of boats are going to be built.

Q. If any appropriation of $3,500,000 is made under the provisions read here this morning will your Department award contracts which will allow an excessive profit, a profit in excess of what ought to be made, of more than one million dollars, as I read the language in the charge; is that a possible move of the administration of your Department?—A. Such action is quite impossible; as far as I can speak for my own future action, I shall not recommend for the Department's consideration any such excessive profit.

Q. This statement is further made: "And that this fact can be substantiated by your committee by calling as witnesses the expert officials and constructors of the Navy Department." You have charge of that Department of the Navy Department, construction?—A. I am Chief of the Bureau of Construction and Repair. There are three other bureaus concerned; but the largest portion of such construction work comes under the Bureau of Construction and Repair.

Q. Now, the Secretary stated in his examination that if excessive bids were made and conditions showing excessive profits to the contractors were developed that the Department would decline to let or make contracts. Supposing it developed that out of this $3,500,000 proposed appropriation that a million dollars of excessive profit was in the contracts, would you conceive it to be your duty to follow the recommendation or statement of the Secretary of the Navy in that respect?—A. I should most decidedly not recommend the making of contracts which would involve anything approaching $1,000,000 of excessive profit.

Q. So that if the responsibility were placed on you in the future, as it has been in the past, to supervise the making of contracts under that provision no contracts would be made which would involve an excessive profit of $1,000,000.—A. You are slightly in error, sir, as to my responsibility for contracts. I have nothing whatever to do with the contract itself or the final action in such matters; expert recommendation is made by the board on construction, of which I am a member, and so far as such a recommendation deals with the cost I should unhesitatingly oppose strongly any excessive profit; a fair and reasonable profit I am not opposed to.

Q. I read to you the third charge: "I also submit that it can be demonstrated that the submarines now constructed and now under contract and those provided for in the proposed legislation are inferior in type, speed, power, armament, and efficiency to those now in possession of or under contract for construction for different governments."—A. I should like very much to know the basis of such a comparison. The Department would like very much to have all the details about these foreign vessels; we haven't them, and comparisons are therefore impossible.

Q. That is the charge that is made—that your Department does not do its duty in having the submarine vessels of the United States compare in efficiency, power, speed, type, and armament to those of foreign nations. Can you give us some facts about that?—A. The most material fact is that we have nothing to compare with. So far as I am aware, our vessels are just as good as those of foreign navies, but if anybody will present authentic data giving the characteristics, performance, and so forth, of foreign submarine vessels, then we will be in a position to institute comparisons.

Q. Then your position is that such a general charge without specific facts is not a basis for that?—A. It is not. Exact comparison is wholly impossible. Such a charge is somewhat similar to some other charges made concerning the naval service of late; when you investigate them, there appears to be no real basis in fact—merely assertion.

Q. So that so far as you are informed now, and so far as any information has been furnished to this committee or to you, as developed in this examination, there is no basis for such a charge?—A. None that I am aware of.

By Mr. OLMSTED:

Q. Admiral, I want to ask you one further question, to make it more specific. It has been directly charged by Congressman Lilley, in his testimony before this committee that has already been read to you, that under proposed legislation now pending the Electric Boat Company will receive a profit of more than $1,000,000 in excess of what ought to be justly and fairly paid for the construction of submarine boats provided for. Now, in addition to what you have already testified, I want to ask you if, from your knowledge of the character and ability of the Secretary of the Navy and of those associated with you on the board, concerning which you have testified, is it possible that you officials of the Government will, if this legislation should pass in this form, permit the Electric Boat Company or any other company to make excessive profits to the amount of $1,000,000 under any contracts likely to be awarded under that legislation?—A. Unhesitatingly, no.

Q. Neither through ignorance or corruption?—A. I hope not "through ignorance," and I am certain not "through corruption."

Q. There is nothing in that legislation as proposed that would absolutely require you to let a contract at all if you thought it would afford any undue profits?—A. My personal recommendation would be not to make any contract if the tendency of the company which was bidding and which was possibly the exclusive bidder was to "hold up" the Government.

Q. Then you would "hold up" the company?—A. I would recommend holding up the company.

Q. Until further Congressional action?—A. Every time.

Q. You have no fear that under this provision if enacted into law the Government would pay a million dollars of excessive profits?—A. I have no such fear.

Q. You mentioned something about patents; are these boats and the improvements upon them covered by United States patents, or some of them?—A. Some portions of them are. I applied to the Patent Office about May, 1907, for copies of all patents relating to submarine boats. There were received in response over one hundred patent specifications of various kinds relating to submarines. I think there were 59 which had some merit in them, possibly. But I am not sure that some of the patents would be valid if tested in a court of law. Patents have been granted, however, and, under various patents, these two companies are building boats.

Q. You stated that there were some fifty-nine that have merit, more or less?—A. Have bearing upon submarine boat construction perhaps I had better say.

Q. Can you state who owns them?—A. Many of them, I believe, are owned by the Electric Boat Company; others by the Lake Torpedo Boat Company; some of them appeared in the name of Mr. John P. Holland, and one of the basic patents is, I think, in the name of Mr. G. C. Baker, deceased.

Q. You said, Admiral, that under the last contracts the builders claimed that they had no profit? What do you mean by last contracts?—A. I think I said they claimed they would receive only slight profit.

Q. Whatever you did say, what contracts did you refer to?—A. I referred to the last seven; four at $285,000 apiece and three at $360,000 apiece. If I did not state then, I state now I did not concur in the opinion of the builders as to their "slight profit." I think they had a very fair profit.

Q. Do you think they had more than a fair profit?—A. I do not, under the information at our disposal.

Q. You perhaps have stated it, I wish to add again specifically, whether in any of the contracts it is provided that the Government should pay for submarine boats by the ton?—A. None.

Q. Just largely for my own information, I find reference to subsurface boats and to submarine boats; what is the distinction between them?—A. It has puzzled a great many people before, Mr. Olmsted; I would not like to venture an opinion or exact definition now. There are "submersibles," "subsurface boats," and "submarine boats," and the characteristics of each seem to lap over to a certain extent. The "subsurface" boat is one that has its propelling machinery, torpedo tubes, etc., in an entirely submerged section of the boat's structure, while another part of the boat is entirely visible, being above water.

Q. These twenty boats that the Government now owns or has contracted for, they are what you call submarine boats?—A. Yes, sir; submarines.

Q. And not subsurface boats?—A. No, sir; they are termed "submarines."

Q. Now, Admiral, the Secretary of the Navy testified to a contract made with the Lake Boat Company and said something about the subject of interest. Can you tell us how much was allowed in

at the time Mr. Loudenslager was there and he came in while Mr. Loudenslager was in my office. I do not think it was in connection with this matter at all. That is my recollection.

Q. In any event, it was not until after the contract was made?

Secretary METCALF. Not until after the contract was awarded.

By Mr. STEVENS:

Q. Mr. Secretary, do you recall the time when the delegation from Connecticut called on you in reference to the inquiry about a contract? Was it after the opinion of the Attorney-General had reached you?

Secretary METCALF. Yes.

Q. Did they seem to have any knowledge of the opinion of the Attorney-General in their conversation with you?

Secretary METCALF. It was after Congress had convened that they called at the Department.

Q. The opinion of the Attorney-General I know is dated July 30; about when did it reach you?

Secretary METCALF. I was in California at the time; a copy of that opinion was forwarded to me.

Q. It reached you then——

Secretary METCALF. Some time in August, I think.

Q. And that fact became generally known among officials and others who were interested in awarding these contracts for submarine destroyers?

Secretary METCALF. I suppose so.

Q. Was that opinion made public in any way?

Secretary METCALF. I was not here at the time.

Q. Was it made public so that it was known during the fall months?

Secretary METCALF. It must have been known undoubtedly.

Q. So that when the delegation from Connecticut, including Mr. Lilley, called on you after the convening of Congress it was generally known that that opinion was in existence and governed your action?

Secretary METCALF. Yes, sir.

Mr. BROUSSARD. Admiral, where a lump sum of money is appropriated by Congress for a specific purpose such as was appropriated for submarines in the last naval bill, is it or is it not the purpose of the Department to subdivide the appropriation so as to get the number of things provided for constructed with the appropriation?

Admiral CAPPS. So far as concerns the intentions of the Department, I shall have to request you to ask the Secretary of the Navy, who is present. I can not speak, of course, for his intentions.

By Mr. BROUSSARD:

Q. Has it ever occurred since you have been connected with the Department that an appropriation for a specific number of objects with a specific sum of money that the money was not expended for the specific number of objects provided for?—A. Does that question relate to the number of submarines to be purchased?

Q. Yes.—A. I would say there was no number specified.

Q. There was no number specified in the last bill?—A. None whatever. It was a lump appropriation.

Q. There are some specified in the provision as reported back in the present bill?—A. That I do not know as I have not read it carefully; in fact have only had a glance at the draft recently handed to the Secretary.

that contract for interest?—A. As the Secretary testified, sir, that contract was made by him directly; I took no official part whatever.

Q. Perhaps I did not recall his testimony correctly. I have the impression in some way, from what the Secretary said, that you would be able to tell what part was construction.

Secretary METCALF. I think my statement was they were entitled to some favorable consideration in fixing the price because no payments were to be made as the work progressed, but only to be made in case the boat was accepted. In all other contracts payments are made from time to time as the work progresses.

By Mr. OLMSTED:

Q. Did you state what amount was allowed for interest?

Secretary METCALF. You asked me the question; I said I thought twenty or twenty-five thousand dollars would be a fair allowance for interest on nonpayment prior to final acceptance.

Q. Can you state or did you state who first suggested the matter of the allowance of interest?

Secretary METCALF. I do not think it was suggested in the shape of interest. They protested about payments not being made as the work progressed and said in all contracts awarded by the Government payments were made from time to time as the work progressed, and payments ought to be made to them, and my answer was "No;" if the boat was not accepted by the Government and we made payments from time to time as the work progressed, we would then have to sue them or the surety on their bond for the amount that had been paid to them, and I did not propose to put the Government in that position; that undoubtedly they would have to borrow money for the purpose of carrying on the work, and I would consider that when it came to the question of fixing the price. It seemed to me that was nothing but fair.

Q. We are not questioning it; I merely wished to ask whether it was suggested by the Lake Boat people or by the Department.

Secretary METCALF. I think I made that suggestion myself in a letter in answer to one of their letters. I can furnish you with the correspondence, if you desire.

Q. Mr. Secretary, under such contracts are bonds required from the bidders?

Secretary METCALF. Yes; in every case.

Q. Do you recall who are the sureties on the bond?

Secretary METCALF. Some of the well-known surety companies.

Q. Insurance corporations?

Secretary METCALF. Yes, sir; insurance corporations.

Q. Will that appear from the contract?

Secretary METCALF. I do not think it appears from the contract. The bonds, I think, must be filed with the contract. I can not point out the exact clause, but I had better leave you a copy of that contract with the Lake Company. (Attached hereto, marked "Appendix D.")

Q. Is there any further statement you would like to make, Mr. Secretary?

Secretary METCALF. I think possibly I made a mistake in saying that Mr. Butler and Mr. Sherman called at the Department in reference to this matter. I think Mr. Sherman called at the Department

at the time Mr. Loudenslager was there and he came in while Mr. Loudenslager was in my office. I do not think it was in connection with this matter at all. That is my recollection.

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Q. Yes.—A. I would say there was no number specified.

Q. There was no number specified in the last bill?—A. None whatever. It was a lump appropriation.

Q. There are some specified in the provision as reported back in the present bill?—A. That I do not know as I have not read it carefully; in fact have only had a glance at the draft recently handed to the Secretary.

Q. Suppose there were eight of them provided for in the present bill, three and one-half million dollars appropriated, wouldn't the Department so provide to expend the money so as to secure the eight submarines?—A. I should think so, undoubtedly, if eight were provided for.

Q. Wouldn't the Department undertake to save a part of the appropriation and still provide the eight submarines?—A. The Department unquestionably would contract for them at the lowest price practicable.

Q. So that if Congress appropriates this three and a half million dollars for these eight submarines the policy of the Department will be to try to get eight submarines within the figures given, to save as much money as possible?—A. It could not possibly exceed the amount authorized, and the history of the Department for many years past shows that it has tried to keep well within the limit of cost fixed by Congress.

Q. That purpose would be kept in view by the Department to save as much as possible of the appropriation?—A. Absolutely.

Q. So that if the prophecy given in this charge of Mr. Lilley's is fulfilled that there will be a million dollars of excessive profit, if this three and one-half million dollars is provided for the construction of eight submarines, the fault would be with the Department and not with Congress, would it not?—A. Unquestionably.

Q. Now, Mr. Lilley furnishes as authority to prove his prophecy after making the statement as a matter of fact that this Electric Boat Company has made a million dollars of excessive profits in past contracts and that it will make another million dollars under the provisions in this bill if it becomes a law; he says that that fact can be substantiated by your committee by calling as witnesses the expert officials and constructors of the Navy Department. Does that definition include your official position?—A. I think so.

Q. Now, who else does it include?—A. I should say it includes my colleagues on the Board on Construction, the other chiefs of bureaus having cognizance of ship material.

Q. Will you give me their names?—A. Rear-Admiral Converse, retired, the president of the Board; Rear-Admiral Rae, the Engineer in Chief; Rear-Admiral Mason, Chief of Ordnance, and Rear-Admiral Cowles, Chief of the Bureau of Equipment.

Q. As one of those officials do you approve that statement of Mr. Lilley's, or do you deny the statement that he makes that heretofore a million dollars of excessive profits has been paid?—A. I do not approve the statement as to future contracts. A statement of that kind is necessarily supposititious. It is based upon an act of Congress which has not become a law, and, also, upon the prospective action of officials, which certainly can not be taken until the act itself has been passed by Congress. So far as you desire an indication of what will be the action of the Department and its advisers if such an act is passed, I can state very positively that neither the Department nor my colleagues of the Board on Construction, nor myself, will be parties to any arrangement by which any contractors will obtain a million dollars more profit for work performed than they were fairly entitled to under a reasonable estimate of their profit; nor would excessive profit in any amount be permitted so far as we had control of the matter.

Q. My question was directed to the past million that this company has already made, as alleged by Mr. Lilley, not to the future million it is going to make, but to the past million.—A. I do not believe that anything approaching a million dollars excessive profit has been made in past contracts. As I have tried to point out, what should be or has been the exact cost of vessels of this kind is almost indeterminable but using our best judgment and availing ourselves of all the information we had concerning the cost of similar work on torpedo-boat destroyers, etc., there has been no contract made, so far as I am aware, which would give the excessive profits claimed over and above what was fair and reasonable.

Q. Is there any official composing this board you have just mentioned who was either sufficiently ignorant or sufficiently corrupt, in your knowledge, to permit any such thing?—A. I can state with absolute conviction, on behalf of my colleagues, that such a contingency "through corruption" is practically impossible. If such a contingency should arise "through ignorance" on the part of any member he would be undoubtedly heavily outvoted; but I can not consider either contingency as being within the bounds of probability.

Q. This charge, therefore, can not be proven, in your judgment, by any of those to whom this committee was referred to have it proven?—A. I have no idea as to who was in the mind of the one who made the charge.

Q. I am speaking of the expert officials and constructors of the Navy Department.—A. I do not know of any one who could give proof of a charge of that kind.

Q. Do you know of any one who furnished this particular information to Mr. Lilley?—A. I do not know at all.

Q. Have you ever heard of this charge before you came here?—A. I have not. I have seen it in the press, of course.

By Mr. HOWARD:

Q. Have you had any opportunity to compare prices of the bids of the Lake Company and the Electric Boat Company for similar work?—A. The character of the boats is dissimilar. I have not made extended comparison in prices. It has not been necessary to do so.

Q. From such comparison as you have made incidentally are they offering to construct boats of their type more cheaply than the Electric Boat Company?—A. If you gave to the boats of each approximately the same characteristies, I should say that they are not proposing to build more cheaply.

Q. From the standpoint of the efficiency to be achieved?—A. Yes. As a matter of fact, the contract, or rather the agreement for the purchase of a boat to be built by the Lake Torpedo Boat Company. involves a contract price about $90,000 greater than that of the highest price yet contracted for with the Electric Boat Company. The Lake boat is, however, a larger boat, but with the same submerged speed and 1 knot greater surface speed than that of the Electric Boat Company's boat.

Q. What I meant to inquire about was if they put in a bid for a boat practically of the same tonnage, measured by tonnage, would the Electric Boat Company's bid—how would their price compare? Have you ever been able to make such a comparison?—A. If you will let me refer to a sheet of bids I have here, I think I can give you

a comparison. For instance, in the bids submitted on April 30, 1907, the Lake Torpedo Boat Company submitted a bid on a boat of 500 tons displacement at $450,000. They also submitted a bid for a boat of 235 tons displacement for $225,000. They also proposed to build one of 275 tons displacement for $300,000. Also one of 250 tons displacement for $235,000; also one of 425 tons displacement for $365,000. Now, there were various characteristics to be embodied in each of these various boats. Some of them gave greater excellence in speed, and others excelled in some other characteristics and were deficient in speed, etc.

The bids submitted by the Electric Boat Company at the same time were as follows: For one of 274 tons displacement, $323,000; one of 340 tons displacement, $395,000; each of these bids of each company had variations in price for building on the Pacific coast, also reductions if more than one were built.

As previously noted, the bid price to build one of 235 tons displacement by the Lake Company was $225,000. The bid price of one of 274 tons displacement by the Electric Boat Company was $323,000, but this 274-ton boat was not only larger, but had considerably greater speed submerged and awash than the Lake boat, also greater endurance. These were the boats finally contracted for at $285,000 apiece. As I said before, cost based solely upon tonnage is misleading and is really inaccurate, since you must consider the fittings of the boat and its general characteristics, including speed, submerged and on the surface, endurance, maneuvering power, and many different qualities, all of which might vary greatly with the same displacement; and the one having the greatest general efficiency would usually be the most expensive.

Q. Compared on a basis of proven efficiency under the test of the Navy Department, how did the prices compare?—A. They compared favorably to the Electric Boat Company, since the boat submitted for test by that company was reported as distinctly superior to the one submitted by the Lake Company.

By Mr. STEVENS:

Q. What is the policy of the Department in awarding contracts for different classes of ships, such as cruisers and battle ships or anything like that, where you have a limited appropriation and the matter is left in your discretion; do you award it to one certain contractor or different contractors, so as to get competition?—A. The policy of the Department in such matters is to place the contract with the "lowest best responsible bidder, having in view the best results and most expeditious delivery," as required by specific provision in the naval appropriation bill. It is a matter of legislative enactment.

Q. So that does not refer to your discretion?—A. Congress, in making provision for battle ships, cruisers, etc., usually specifies the displacement and inserts a general provision as to armament, armor, etc., and states that the limit of cost shall not exceed a certain amount. In various naval appropriation bills it has also limited the number which could be built by any one contracting party. The Secretary of the Navy has recommended that that particular provision be eliminated hereafter in the interest of the Government.

Q. Where the matter is left to you or the discretion of your board, and where the purpose of encouraging competition on the one hand

and efficiency on the other, has that situation ever been brought up to you, where you have got to encourage competition by distributing the boats, or encourage excellence by awarding more to one concern?—A. I think that very question has been brought up in this submarine-boat case. So far as I can be permitted to know the intentions of the Department, the specific intention of the Secretary of the Navy in giving an "agreement contract" to the Lake Company was to promote competition and to encourage the attainment of better results all around and to avoid having a monopoly. The lion's share of the contracts was given naturally to the company which clearly and definitely won out in the competition prescribed by Congress.

The CHAIRMAN. It is now nearly a quarter of 2 o'clock, and if it will not inconvenience the Admiral to come back at 2.30—I do not think we will need the Secretary—but if Admiral Capps can come back at 2.30 o'clock we will continue.

Admiral CAPPS. I am at your disposal, sir.

The CHAIRMAN. We will now take a recess until 2.30 o'clock.

(Thereupon the committee took a recess until 2.30 o'clock p. m.)

AFTERNOON SESSION.

The committee met pursuant to the taking of recess at 2.30 o'clock p. m.

All the members of the committee were present.

The CHAIRMAN. Representative Lilley has presented to the committee several questions in writing, headed "Questions for naval officers that may testify as to Lake boat." I will ask Mr. Olmsted, of the committee, to propound these interrogatories to Admiral Capps, as requested by Mr. Lilley, in reference to the Lake boat.

TESTIMONY OF ADMIRAL CAPPS—Continued.

By Mr. OLMSTED:

Q. There are nine questions, and I will put them in their order. First, did a board test the *Lake* since the *Lake-Octopus* trials; and if so, when?—A. A board has tested the *Lake* since the *Lake-Octopus* trials. This trial took place on March 17.

Q. Question 2. Who was on the board that tested the *Lake* March 17?—A. Captain Marix, Naval Constructor Taylor, and Commander March, I think.

Q. Question 3. Were any other officers present?—A. I do not know.

Q. Question 4. In the Naval Committee document No. 21, extract from report of board on comparative trials of submarine and subsurface boats, submitted under date of May 31, 1907, "the time required to come to the surface from the depth of 30 feet and to return to that depth was, in the case of the *Lake*, one minute and two seconds, and in the case of the *Octopus* forty seconds. The maximum slant down in performing the evolution was 12 degrees in the case of the *Lake* and 11 degrees in the case of the *Octopus*," what was the slant down of the *Lake* in the trials down at Bridgeport March 17? State maximum and minimum degrees noted by you in the trials.—A. That will probably appear in the report of the trial board. This report has not yet been made, I understand.

Q. Question 5. The May 31 report states: "The board observed with great care the behavior of the two boats when submerged, and running submerged, with reference to the important question of change of trim and the control of level. At no time did the *Lake* submerge upon an even keel. To get her under water it was necessary to raise her stern with the diving rudder and allow her to go down at an angle, as in the case of the *Octopus*." In the trial March 17 tell whether the *Lake* submerged upon an even keel, and whether it was necessary to raise her stern with the diving rudder and allow her to go down at an angle, as in the case of the *Octopus*.—A. That question will probably be answered in the report of the board, which has not yet been made.

Q. Question 6. The report of May 31 states: "The hydroplanes of the *Lake* were not used to submerge her, but were set to the angle considered desirable by the operator before submergence, and the vertical control under the water was obtained entirely by the use of the horizontal rudder." State whether in the March 17 trials hydroplanes were used to submerge the *Lake* and whether the vertical control was obtained by horizontal rudder.—A. The same answer as before.

Q. Question 7. Were the hydroplanes capable of submerging the *Lake* on an even keel?—A. The same answer as before; report of board not yet submitted.

Q. Question 8. Did a naval officer without previous experience with an even-keel submarine boat of the *Lake* type control the *Lake* with ease and precision?—A. I do not know; report of board not yet submitted.

Q. Question 9. What depth did the *Lake* maintain in regard to constant depth of control?—A. It will probably be set forth in the report of the board when submitted.

The CHAIRMAN. Has any other member of the committee any questions they desire to ask Admiral Capps? Is any Member of the House present who wishes to propound any questions? Is anyone present interested in the result of this investigation personally or by counsel who desires to propound any further questions to the witness?

Mr. LITTLETON. Mr. Chairman, there are two questions which I would like to submit.

By Mr. OLMSTED:

Q. Since you became Chief Constructor has the Electric Boat Company ever received a contract except as the result of winning a competition and except at a price considered by the Department fair and reasonable?—A. To the best of my knowledge the Electric Boat Company has not received a contract in the last four years at a price which was not fair and reasonable. As far as I can recall, these contracts have been based upon results obtained after trial, and in the case of the last seven boats contracted for, after competition. So far as I now recollect the Lake boat did not appear in the first competition.

Q. The second question submitted by counsel for the Electric Boat Company is this: Do you know anything about the assignment or patent ownership of the patents of which you have spoken?—A. Nothing whatever personally.

The CHAIRMAN. Is there anyone present who desires to ask any further questions of Admiral Capps? If not, Admiral, I think that

will conclude your testimony. The committee wishes to express its thanks for your prompt attention and the time you have given to this investigation.

Admiral CAPPS. Was the question of Mr. Stevens about the acts of Congress on page 583 in the hearing or was it an aside?

Mr. STEVENS. I think that ought to be cleared up in the record.

Admiral CAPPS. I glanced over it during the recess, and apparently two boats were provided for by the act of March 3, 1899, one of which became the *Holland;* the act of June 7, 1900, provided for the construction of five submarine torpedo boats, so that there was one left over from a preceding act, which, with the five provided for in the act of June 7, 1900, made the six.

APPENDIX A.

[Subject: Proposals for the construction of submarine and subsurface torpedo boats, recommendation of award, etc.]

JUNE 22, 1907.

1. Respectfully returned to the Department.

2. The Board on Construction has given careful consideration to the accompanying proposals for the construction of subsurface and submarine torpedo boats, also to the report of the board on comparative trials of submarine and subsurface boats, dated April 30, 1907, and referred to this board with the Department's letter No. 4831–78 of June 15, 1907.

3. The report of the board on comparative trials of submarine and subsurface boats is complete and conclusive, and the Board on Construction concurs in the following opinion expressed by that board:

> It is the unanimous opinion of this board that the *Octopus* is the superior boat presented for tests, and furthermore that she is equal to the best boat now owned by the United States and under contract.

4. Although it is impossible to form a definite opinion as to the merits of a larger boat than the *Octopus*, in the absence of detailed plans and estimates covering such a boat, the Board on Construction is of the opinion that a boat similar to the *Octopus* but larger would probably develop greater speed and carry a larger number of torpedoes, but would, by reason of its very much greater length, be less handy in maneuvering qualities.

5. With respect to the subsurface boat, the Board on Construction invites attention to the following quotation from the report of the board on comparative trials of submarine and subsurface boats:

> The subsurface boat can not be compared with the submarine boats, being of an entirely different type, but could be considered in a class of torpedo boats or destroyers if built of sufficient size; yet in the absence of a regular subsurface boat, there being but a quarter-size model, it was impossible to make a satisfactory comparison with any class of vessels. From what the board observed of the speed and maneuvering abilities of the model there is no reason to doubt that guaranties made in these respects can be carried out.
>
> It may also be conceded that a subsurface boat, as compared to a torpedo boat, has less vulnerability, requires less men, and has a larger steaming radius, but she has less speed and greater draft.

6. The Board on Construction concurs in the opinion above quoted as to the impossibility of comparing the subsurface boat with the submarine boat, since they are of entirely different types. The Board also concurs in the opinion that subsurface boats are rather in the class of torpedo boats or torpedo-boat destroyers if built of sufficient size. Attention is, however, invited to the fact that only a quarter-size model of a subsurface boat was submitted for test by the board on comparative trials of submarine and subsurface boats, and that no satisfactory deductions could be drawn as to the relative advantages and disadvantages of subsurface boats as compared with torpedo boats or torpedo-boat destroyers.

7. The Board on Construction is therefore of the opinion that the subsurface boat is represented in the test conducted by the board on comparative trials of submarine and subsurface boats is excluded

from consideration in this connection by the explicit terms of the act approved March 2, 1907, which states that—

> * * * No part of this appropriation to be expended for any boat that does not in such test prove to be equal, in the judgment of the Secretary of the Navy, to the best boat now owned by the United States or under contract therefor—

since the conclusion of the board on comparative trials of submarine and subsurface boats, which is concurred in by this Board, is to the effect that "the *Octopus* is the superior boat presented for tests; and, furthermore, that she is equal to the best boat now owned by the United States and under contract."

8. The Board on Construction is therefore of the opinion that it is discretionary with the Department, under the provisions of the naval appropriation acts approved June 29, 1906, and March 2, 1907, to make contracts for vessels equal or superior to the *Octopus*, and recommends that the Department enter into contract with the Electric Boat Company for four submarine torpedo boats of the 105-foot type and four submarine torpedo boats of the 133-foot type, but that the guaranteed submerged speed for two hours in the case of the 105-foot boat be 9 knots instead of 8, and that the guaranteed submerged speed for two hours in the case of the 133-foot boat be 10 knots instead of 8, as set forth in the proposals herewith submitted by the Electric Boat Company. The Board's reason for recommending this increase in the guaranteed speed is due to the actual results obtained by the *Octopus* during her recent trials, as set forth in the report of the board on comparative trials of submarine and subsurface boats, the Board on Construction having no doubt of the ability of the proposed boats to maintain the speeds above recommended.

9. For reasons which are apparent in the report of the board on comparative trials of submarine and subsurface boats, it is also recommended that the torpedo tubes in both types of boat be made entirely independent, so that the derangement of any appurtenances or mechanism connected with one may not disable any other tube.

10. It is further recommended that the contracts for the submarine boats herein proposed contain a proviso for the installation in these boats of any improvements which the contractor may be able to develop during the course of their construction which will increase the safety of the crew under all conditions or add to the efficiency of the boat in speed or maneuvering power.

11. With respect to the cost of construction on the Atlantic coast, for which proposals are herewith submitted by the Electric Boat Company, it is noted that the proposed price for each of the 105-foot boats, when four are contracted for, is $313,000, and that the proposed price for each of the 133-foot boats under similar conditions is $380,000. In this connection the Board desires to invite special attention to the fact that the contract price for the *Octopus*, which is practically identical with the 105-foot boat herein proposed, was $250,000, and an analysis of the cost of the various elements entering into the construction of such a boat convinces the Board that a price of $285,000 for each of the four 105-foot boats would afford a most substantial profit to the builders of such boats, including adequate compensation for such features as have been patented. The Board therefore recommends that the contract price for the four 105-foot boats be limited to $285,000 for each boat. For the reasons above outlined in the *case of the 105-foot* boat, the Board recommends that

the price of the 133-foot boat be limited to $360,000, it being noted that the price recommended for this boat is relatively higher than that recommended for the 105-foot boat, in view of the fact that this size of boat has not yet been constructed and the particular features thereof are subject to development, involving additional work and risk over that pertaining to the 105-foot boat.

12. With respect to the cost of vessels delivered on the Pacific coast, the Board is of the opinion that an addition of 5 per cent to the cost of vessels delivered on the Atlantic coast would be ample, even in the special cases under consideration, and that therefore the contract price for vessels to be delivered on the Pacific coast of the United States should not exceed $299,250 for the 105-foot boats and $378,000 for the 133-foot boats.

13. In conclusion, the Board on Construction recommends that the Department enter into contract with the Electric Boat Company for the construction of eight submarine torpedo boats of the *Octopus* type—four of the following approximate dimensions: Length, 105.3 feet; diameter, 13 feet 10½ inches; submerged displacement, 274 tons. Four of the following approximate dimensions: Length, 133 feet; diameter, 13 feet 10½ inches; submerged displacement, 340 tons—the foregoing types being herein made the subject of proposal by the Electric Boat Company. The contract for the 133-foot boats, however, should not be made until more complete plans and description of the type proposed have been duly submitted and considered by the Department.

14. It is further recommended that the contract provide for the delivery of two boats of the 105-foot type and two boats of the 133-foot type on the Atlantic coast, at such navy-yards as the Secretary of the Navy may direct; two boats of the 133-foot type on the Pacific coast at such stations as the Secretary of the Navy may direct; two boats of the 105-foot type to be delivered in the Philippines—the additional compensation for delivery of the last-named boats to be determined upon after consultation with the prospective contractors, the Department to afford the contractors such facilities as may be available at the naval stations Cavite and Olongapo for the construction of said vessels, provided the contractor elects to get out the material in the United States, and assemble and install same at the naval station Cavite or Olongapo.

GEORGE A. CONVERSE,
Rear-Admiral, U. S. Navy (Retired),
President of Board.

C. W. RAE,
Engineer in Chief, U. S. Navy,
Chief of Bureau of Steam Engineering,
Member.

W. L. CAPPS,
Chief Constructor, U. S. Navy,
Chief of Bureau of Construction and Repair,
Member.

N. E. MASON,
Chief of Bureau of Ordnance,
Member.

WM. S. COWLES,
Chief of Bureau of Equipment,
Member.

APPENDIX B.

[Third indorsement.]

[Subject: Further consideration of proposals for the construction of submarine torpedo boats.]

BOARD ON CONSTRUCTION,
Washington, D. C., June 28, 1907.

1. Respectfully returned to the Department.

2. In compliance with the Department's verbal instructions to the Board on Construction, to give further consideration to the proposals of the Electric Boat Company and the Board's formal recommendations with respect thereto, with particular reference to meeting or overcoming the objections of said company to the Board's previous modifications of their proposal as to contract price, guaranteed speeds, etc., the Board begs to report as follows:

3. The Electric Boat Company was given full opportunity, through its accredited officials, Mr. Lawrence Spear and Mr. E. B. Frost, to present all necessary data with regard to the actual cost of the *Octopus* and the estimated cost of new vessels for which proposals were submitted. After careful consideration of all the data submitted by the above-noted representatives of the Electric Boat Company, the Board is of the opinion that the prices recommended in its previous indorsement are fair and reasonable for the construction and delivery of said vessels on the Atlantic coast of the United States, viz, $285,000 for each of the four 105-foot boats and $360,000 for each of the four 133-foot boats.

4. In considering the detailed estimates submitted by the representatives of the Electric Boat Company, however, it appeared that several additions were to be made to the outfits of the proposed vessels which were not included in the contract for the *Octopus;* also certain definite and expensive improvements were to be made in certain features of the new vessels as compared with similar features in the *Octopus*. Of these proposed additions, the Board is of the opinion that it is not necessary at this time to provide for the installation of the wireless telegraph outfit, the submarine signaling system, or the additional periscope, and therefore recommends that the contract price of the vessels do not include these features, but that their installation be made by the Government, or as a change under the contract, if such features should subsequently appear desirable after more extended experience with the *Octopus* in actual service.

5. The Board also gave further consideration to the protest of the Electric Boat Company with respect to the guaranteed submerged speed of the 340-ton boat and the provision of independent shutter apparatus for each torpedo tube.

6. After arriving at a definite conclusion upon all the points at issue the Board advised Mr. Spear of the character of its proposed recommendations, and after further discussion Mr. Spear, on behalf of the Electric Boat Company, stated that he was prepared to accept the same.

7. The recommendations of the Board are therefore as follows:

(1) That the Department enter into contract with the Electric Boat Company for four submarine torpedo boats of the 105-foot type and four submarine torpedo boats of the 133-foot type, and that the guaranteed submerged speed for two hours in the case of the 105-foot boat be 9 knots instead of 8, and the guaranteed submerged speed for two hours in the case of the 133-foot boat be 9½ knots instead of 8, as originally proposed by the Electric Boat Company.

(2) That the contract price for these boats, delivered on the Atlantic coast of the United States, be $285,000 for the 105-foot boat, and $360,000 for the 133-foot boat: Provided, however, that the contractor will not be required to install the proposed wireless telegraph outfit, the submarine signaling apparatus, and the additional periscope, such fittings to be installed at the expense of the Department should subsequent experience with the *Octopus* render their installation desirable.

(3) That the question of providing independent shutter apparatus for each torpedo tube be given further consideration by the Electric Boat Company, with a view to making provision therefor in all the boats covered by the proposed contract should such installation be practicable without injuriously affecting other essential elements of the design.

(4) That the contract trials of the submarine vessels herein provided for be conducted under such conditions as the Secretary of the Navy may prescribe, but that exhaustive tests be carried out only in the case of one vessel of each type, the trials of all other vessels of each type to be such only as may be necessary to satisfy the requirements of the specifications as to speed under various conditions, character of workmanship and material, and general performance of the machinery and auxiliaries.

(5) With respect to the delivery of any of the vessels covered by the proposed contract on the Pacific coast of the United States or in the Philippines it is recommended that such delivery be made the basis of a supplemental contract. The boats for the Philippines to be built and tested and accepted on the Atlantic coast and sent to the Philippines under their own power; the two boats to be assigned to the Pacific coast to be built under conditions previously outlined for those to be delivered in the Philippines, or to be constructed on the Atlantic coast and assembled on the Pacific coast—the actual contract trials in this last-mentioned case being conducted on the Pacific coast, the Government to have the option of selecting such method of delivery as may hereafter appear to be most advantageous to the Government. In no case shall the additional cost for delivery on the Pacific coast, for the largest boat herein referred to, exceed $27,500.

(6) In conclusion, the Board recommends the approval of the recommendations contained in the first indorsement hereon, except in so far as they may have been modified by the third indorsement hereon.

8. There is forwarded herewith a communication from the Electric Boat Company, dated June 27, 1907, covering various matters herein referred to; also an affidavit by the vice-president of the Elec-

tric Boat Company as to the accuracy of the data submitted for the Board's consideration.

GEORGE A. CONVERSE,
Rear-Admiral, U. S. Navy (Retired),
President of Board.

C. W. RAE,
Engineer in Chief, U. S. Navy,
Chief of Bureau of Steam Engineering,
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Chief of Bureau of Construction and Repair,
Member.

N. E. MASON,
Chief of Bureau of Ordnance,
Member.

W. S. COWLES,
Chief of Bureau of Equipment,
Member.

APPENDIX C.

Bids for submarine boats, April 30, 1907.

Bidders.	Length.	Diameter of spindle.	Displacement.		Type.	Price.		Speed.	
			Submerged.	Light.		One boat.	Five or more, each.	Surface engines.	Submerged motors.
	Feet.	*Ft. in.*	*Tons.*	*Tons.*				*Knots.*	*Knots.*
Electric Boat	133	13 10½	340	278	.....	[a]$395,000	[b]$379,000	13	8
Do	105.3	13 10½	274	239	.....	[c]323,000	[d]312,000	10½	8
Lake Torpedo Boat Co.	85	11 10½	235	.....	.....	225,000	198,000	8¾	6¾
Do	100	11 10½	275	.....	A	300,000	250,000	10½	8
Do	100	11 10½	250	.....	B	235,000	220,000	11	8½
Do	142	12 6	500	.....	A	450,000	405,000	13½	9
Do	142	12 6	425	.....	B	365,000	340,000	14½	9½

Bidders.	Torpedo tubes.	Torpedoes carried.	Endurance, full speed.		Approximate endurance—submerged, at 6 knots.	Designed for submergence.	Time to deliver.	
			Light.	Submerged.			First boat.	For 5 or more.
					Knots.	*Feet.*	*Mos.*	
Electric Boat	4	4	780	24	55	200	22	2 in 23, 2 every 2 months.
Do	2	4	525	24	55	200	18	2 in 19, 2 every 2 months.
Lake Torpedo Boat Co.	3	3	390	15	[e]25	200	18	1 every 3 months.
Do	3	3	750	16½	32	200	18	Do.
Do	3	3	600	18½	40	200	18	Do.
Do	4	10	500	21	32	200	24	Do.
Do	3	3	400	20	36	200	24	Do.

[a] Pacific coast price, $438,000.
[b] Pacific coast price, $417,000.
[c] Pacific coast price, $360,000.
[d] Pacific coast price, $340,000.
[e] Lake at 5.8 knots submerged, showed about 17 knots endurance.

APPENDIX D.

AGREEMENT RELATING TO THE CONSTRUCTION OF A LAKE SUBMARINE TORPEDO BOAT OF ABOUT 500 TONS DISPLACEMENT WHEN SUBMERGED, AND PROVIDING FOR THE PURCHASE THEREOF IF CONDITIONS ARE FULFILLED.

Agreement, of two parts, made and concluded this third day of February, A. D. 1908, by and between the Lake Torpedo Boat Company, a corporation created under the laws of the State of New Jersey and doing business in the city of Bridgeport, in the State of Connecticut, represented by the president of said company, party of the first part, and The United States, represented by the Secretary of the Navy, party of the second part:

Acts of Congress.

Whereas the act of Congress making appropriations for the naval service for the fiscal year ending June 30, 1907, approved June 29, 1906, as amended by the naval appropriation act of March 2, 1907, authorized the Secretary of the Navy to contract for or purchase submarine torpedo boats;

Now, therefore, this agreement witnesseth, That, in consideration of the premises and for and in consideration of the payments to be made as hereinafter provided, the party of the first part, for itself and its successors and assigns, and its legal representatives, does hereby covenant and agree to and with the party of the second part as follows, that is to say:

Character of vessel.

First. The party of the first part will, at its own risk and expense, construct, in accordance with drawings, plans, and specifications provided by it, one submarine torpedo boat of about 500 tons displacement when submerged, with fittings, equipment, machinery, devices, appliances, and appurtenances of every kind with latest improvements, complete in all respects, of material of domestic manufacture, and in accordance with detailed plans and specifications to be prepared by the party of the first part and submitted to the party of the second part from time to time as may be necessary, and will deliver

Place of delivery.

said boat on the Atlantic coast of the United States at such port and into such custody as may be designated by the Secretary of the Navy, it being, however, expressly understood and agreed that if any article or thing included in or covered by the drawings, plans, and specifications aforesaid shall be found, during the prosecution of the work under this agreement, to be not produced or manufactured in the United

Domestic material.

States, and if, after reasonable effort, it shall be found impracticable to obtain the same as an article of domestic manufacture, then, and in such case, provision shall be made, by or with the approval of the Secretary of the Navy, for such alteration in the drawings, plans, and specifications, or for the adoption of such new or different device or plan as may be found necessary in order to carry out and complete this agreement, and that the cost of all such changes shall be borne by the party of the first part; and it is hereby further expressly understood and agreed that, in the performance of this agreement, no persons shall be employed who are undergoing sentences of imprisonment at hard labor that have been imposed by courts of the several States, Territories, or municipalities having criminal jurisdiction.

Citizens of U. S. to be employed.

Second. It is further covenanted and agreed that the party of the first part will employ on the work of preparing plans, the actual work of building the vessel, and the running of trials citizens of the United States only; that access to the plans, specifications, the work under construction, and the trials shall be limited to citizens of the United States regularly employed upon or directly connected with the work, or designated by the order of the Secretary of the Navy for the examination, inspection, and trials of said vessel, and that the party of the first part will use its best efforts to prevent the employment by subcontractors of any but citizens of the United States in any position giving such employees access to the work of assembling the vessel as a whole, or to the plans and specifications: *Provided, however*, That nothing in this agreement shall be construed as requiring the party of the first part, its agents, or subcontractors to separate the work under *this agreement* in the shops and yard generally from other work in hand.

Third. The party of the second part assumes no responsibility with reference to the plans and specifications provided, or to be provided, by the party of the first part, and will feel it to be its duty to permit changes therein so long as the general requirements of this agreement and of the plans and specifications remain substantially the same, provided that such permission to make changes shall not place the responsibility therefor upon the party of the second part or entitle the party of the first part to any additional compensation. The party of the first part shall submit from time to time as required the detailed drawings, plans, and specifications of the submarine boat to be built under this agreement for the examination and criticism of the party of the second part, but the party of the first part shall be under no obligation to adopt any plan or suggestion made by the party of the second part, nor shall the party of the second part be held responsible for any failure or defect in the vessel due or alleged to be due to the adoption by the party of the first part of any plan or suggestion made by the party of the second part.

Changes and responsibility therefor

Fourth. The construction of said vessel (the word vessel as used throughout this agreement being intended to include everything covered by the drawings, plans, and specifications above referred to) shall conform in all respects to and with said drawings, plans, and specifications, including changes therein, which are hereto annexed and shall be deemed and taken as forming a part of this agreement with the like operation and effect as if the same were incorporated herein. No omission in the drawings, plans, or specifications of any detail, object, or provision necessary to carry this agreement into full and complete effect, shall operate to the disadvantage of the party of the second part, but the same shall be satisfactorily supplied, performed, and observed by the party of the first part, and all claims for extra compensation by reason of, or for, or on account of, such extra performance, are hereby and in consideration of the premises expressly waived.

Conform to plans.

Omissions from plans, etc.

Fifth. The materials and workmanship used and applied in the construction of said vessel, in details and finish in all their parts, shall be first-class and of the very best quality, and shall, from the beginning to the end of the work, be subject to the inspection of the Secretary of the Navy, it being hereby understood, covenanted, and agreed that the said Secretary may appoint suitable inspectors, to whom the party of the first part shall furnish such samples of said materials, and such information as to the quality thereof and the manner of using the same, as may be required, and also any assistance such inspectors may require in determining the quality of steel and other metals, and of wood and other materials, either used or intended for use in the construction of the vessel, its fittings, equipment, machinery, devices, appliances, or appurtenances, and that the inspectors may, with the approval of the said Secretary, peremptorily reject any unfit workmanship or material or forbid the use thereof. The inspectors shall, at all times during the progress of the work, have full access thereto, and the party of the first part shall furnish them with full facilities for the inspection and superintendence of the same. All plans shall be subject to the examination and criticism of the Secretary of the Navy or his authorized representatives as provided for in the third clause of this agreement.

Materials and workmanship.

Inspection.

Sixth. It is mutually understood and agreed that the party of the first part will furnish to the party of the second part on or before the date of final acceptance of said vessel one correct set of tracings of plans appertaining thereto. The facilities for making any necessary special plans not included among those furnished by the party of the first part, checking dimensions of the vessel and its parts, etc., by draftsmen employed for that purpose by the party of the second part, will be provided by the party of the first part.

One set of tracings to be furnished.

Seventh. The steel and other materials to be used in the construction of said vessel shall conform in general to the specifications for inspection of material for use in the construction of the hulls and the machinery of vessels for the United States Navy, approved by the Secretary of the Navy, which specifications are annexed to and form a part of this agreement, so far as the same are, in the judgment of the Secretary of the Navy, *suitable for and applicable* to this special construction.

Steel and other materials.

Patents.

Eighth. The party of the first part, in consideration of the premises, hereby covenants and agrees to hold and save the United States harmless from and against all and every demand or demands of any nature or kind heretofore made or that shall hereafter be made for or on account of the adoption of any plan, model, design, or suggestion, or for or on account of the use of any patented invention, article, or appliance that has been or may be adopted or used in or about the construction of said vessel, or any part thereof, under this agreement, and to protect and discharge the Government from all liability on account thereof, or on account of the use thereof, by proper releases from patentees, and by bond, if required, or otherwise, and to the satisfaction of the Secretary of the Navy.

Ninth. Any articles or materials furnished by the party of the second part shall be cared for and kept in good order by the party of the first part at its own expense and returned to the party of the second part in as good condition as when received, whether the vessel is accepted or rejected under this agreement.

Time of completion.

Tenth. Said vessel shall be completed in every respect in accordance with the drawings, plans, and specifications, and changes therein, and ready for delivery to the United States within twenty-seven (27) months from the date hereof. In case the completion of the vessel as aforesaid shall be delayed beyond the period hereinbefore fixed therefor, deductions on account thereof may, in the discretion of the Secretary of the Navy, be made from the price stipulated in this agreement for each and every day (excepting Sundays) during the continuance of such delay, and until the vessel shall be completed as aforesaid and ready for delivery to the United States, as follows, viz: Thirty-five dollars ($35) a day during the first month next succeeding the expiration of said period, and one hundred dollars ($100) a day thereafter; all such deductions to be made, from time to time, from any payment or payments falling due under this contract: *Provided, however*, That such delay shall not have been caused by the act of the party of the second part, or by fire or water, or by any strike or stand out of workmen employed in the construction of the vessel, or by other circumstances beyond the control of the party of the first part: *Provided further*, That if it shall appear to the satisfaction of the Secretary of the Navy that the party of the first part used every reasonable effort to complete the vessel, he may, in his discretion, grant such extension of time for the fulfillment of this agreement as he may deem proper under the circumstances: *And provided further*, That in case of any such alleged delay the party of the first part shall give immediate notice thereof in writing to the Secretary of the Navy.

Penalty for delay.

Extensions.

Deductions referred to the Secretary.

In case any question shall arise under this agreement concerning deductions for delay, as aforesaid, such question, with all the facts relating thereto, shall be submitted to the Secretary of the Navy for consideration, and his decision thereon shall be conclusive and binding upon the parties to this agreement, and the said Secretary may, without prejudice to the rights of the party of the first part, reserve his decision upon any or all claims for extension until such time as he may consider desirable, and if deemed expedient until after the completion of said vessel, the work on it in the meantime in accordance with the agreement, plans, and specifications not to be discontinued or delayed on account thereof.

Trials.

Eleventh. When said vessel shall be completed in every respect and ready for delivery to the United States as aforesaid she shall be subjected to such tests, including any that may be applicable or appropriate to special features inherent in this type of boat, as shall be necessary in the judgment of the Secretary of the Navy to prove whether she is or is not at least equal in value for naval purposes to the best boat owned by the United States, or under contract therefor on the second day of March, nineteen hundred and seven; and said vessel shall in addition be subjected to the following tests and trials in smooth water prior to her delivery:

Standardization.

First. Standardization trials: To be held over a measured mile course in three conditions, viz., the light condition, using oil engine only; the awash condition, using the electric motor only, and the submerged condition with periscope, using the electric motor only.

At least three pairs of runs over the course will be made in each condition, ranging from the lowest to the highest speeds proper for the condition. In addition, the speed of the vessel in the light condition while charging storage batteries at the normal rate, using the oil engine only, will be determined by a pair of runs over the measured mile course. During one run, submerged, at full speed, the vertical control must be such that the maximum variation of depth while on the course shall not be more than 3 feet.

Second. A trial of four hours' duration in the light condition under the oil engine only, during which the consumption of fuel shall be measured. The party of the first part hereby guarantees that the speed developed by said vessel during this trial shall be not less than an average of fourteen (14) knots an hour, and that the endurance ascertained by a comparison of the fuel consumed during this trial with the total capacity of the fuel tank or tanks shall be not less than seventy (70) hours.

Light condition.

14 knots.

Third. A trial at maximum speed of one hour's duration in the submerged condition, using the periscope, under the electric motor only. During this trial, while the boat is at full speed, a dummy torpedo will be fired at a suitable target from each tube or other means of discharge provided. The party of the first part hereby guarantees that the speed developed by the said vessel during this trial shall be not less than an average of nine and a half (9½) knots an hour.

Submerged.

9½ knots.

Fourth. A storage battery endurance trial for three hours in the light condition, during which the average output of the battery in watts shall be the maximum that its capacity, or the capacity of the motor, will permit. The party of the first part hereby guarantees that the three-hour capacity of the battery and motor, as determined by this trial, shall be sufficient to give a speed of eight (8) knots in the submerged condition, as determined by the standardization provided for in the first paragraph of this clause.

Battery endurance.

Fifth. The vessel in the light condition shall proceed under the oil engine alone at an average speed of not less than fourteen (14) knots, and upon a predetermined signal she shall be brought to a speed of eight (8) knots, as indicated by the revolutions of the screws, with her hull, except periscope, entirely submerged. The party of the first part hereby guarantees that the time required to perform this maneuver shall not exceed six (6) minutes.

Diving test.

Six minutes.

Sixth. The party of the first part shall furnish for use during the trial of the vessel a number of dummy torpedoes equal in number to the allowance of torpedoes of the vessel. These dummies shall be of the same dimensions and form as the torpedo to be used in the vessel and shall have reserve of buoyancy of not more than 30 pounds. The center of buoyancy shall be in the same position as in the torpedo. They shall be fitted with guides and starting levers of the form and dimensions and in the same positions as those of the actual torpedoes, and the starting levers shall be so fitted as to move through the same travel and require the same power to move as the starting levers in the actual torpedoes, and they shall in addition be so fitted as to indicate whether this movement has taken place at the time of discharge from the torpedo tubes.

Dummy torpedoes.

The vessel, with the number of dummy torpedoes on board equal to the number of torpedoes the vessel is designed to carry in service, shall, during its submerged run at full speed, discharge all the dummy torpedoes on board in succession, the vessel being steered by observations through the periscope directly toward a target, not less than 2,500 yards distant, when the first dummy torpedo is fired. This target shall be a vessel at anchor.

Discharging torpedoes.

The vessel shall demonstrate its capability of being so steered and controlled as to be held pointed, within one degree of arc, at the center of the target during the interval between the order "fire" and the instant when the dummy torpedo is completely clear of the vessel.

The starting attachment fitted to the dummy shall be operated by the tripping gear of the tube.

The impulse used for the discharge of the dummy torpedo shall not exceed 50 pounds per square inch in the torpedo tube.

After this test the dummy torpedoes shall be examined, and if any evidence of damage to a dummy incident to discharge from the vessel

shall be discovered it shall be considered that this test has not been successfully accomplished.

Seventh. The lowest speed at which the vessel can be controlled when submerged and the required battery output in watts having been ascertained during the standardization trials, the endurance at that speed shall be determined by completely discharging the battery at the required average rate of output in watts, either through the motor or through resistances, the vessel being either at the dock or under way, as shall be most convenient for the conduct of this test.

Endurance at lowest speed.

Eighth. The vessel shall make a trial to demonstrate her ability to remain submerged when not under way.

Endurance submerged not under way.

(1) With the periscope exposed for observation.

(2) With the periscope completely submerged.

Ninth. The vessel shall make the necessary trials to determine the tactical diameter in the light, awash, and submerged conditions and the time necessary for reversing the screws in the light condition, which shall not exceed ten (10) seconds from the time the oil engines are going ahead at full speed until the propeller shafts start to reverse. The final diameter shall not exceed eight (8) lengths of the boat in any condition.

Tactical diameter. Reversing screws.

Tenth. The said boat shall be tested by actual submergence to a depth of 200 feet from the surface to the axis of the boat. It shall remain at this depth for not less than ten minutes. No appreciable injurious permanent deflection or strain shall result from this test. In case of failure under this test of the boat the defects noted shall be remedied and the boat subjected to additional tests until satisfactory in all respects as to strength under submergence. The power pumps shall be able to work against a pressure equal to that of 250 feet head of water.

200 feet submergence.

Eleventh. The metacentric height of the boat submerged, carrying full supply of fuel and torpedoes, will be determined by experiment, and shall be not less than fifteen (15) inches.

Metacentric height.

Twelfth. In addition to the above-described trials, the said vessel shall be subjected to the following trial in a moderate sea:

The vessel shall be taken to the open sea in the light condition and shall there begin a service test of twenty-four (24) hours' duration, during which the vessel with crew shall be entirely self-sustaining. She shall begin this trial with her storage batteries not more than half charged, and shall first completely charge them (at the normal rate) while under way at an average speed during the period of charging of not less than six (6) knots. After completely charging the batteries, the vessel shall continue under her oil engine at an average speed of not less than fourteen (14) knots for at least two hours, and until such time as she may be directed to dive, when she shall pass to the submerged condition and make an endurance test submerged, during two hours of which she shall maintain an average speed of nine (9) knots and for at least four hours more of which she shall maintain a reduced average speed of not less than four and a half (4½) knots. The total duration of the submerged portion of this trial—all of which shall be made during daylight—shall not be less than six hours. The number and duration of the exposures of the periscope, or conning tower, shall be determined by the conditions of navigation existing at the time and place of trial. After completing the submerged portion of this trial, the vessel shall come to the surface and be brought at once to the light condition, and shall then continue the trial, recharging the storage batteries at the normal charging rate while under way at an average speed, during the period of charging, of not less than six (6) knots. After the storage battery has been recharged to any desired amount the charging will be stopped, and the vessel shall then continue under her oil engine at an average speed of not less than fourteen (14) knots for the remainder of the twenty-four (24) hours. All speeds referred to shall be determined by the standardized screw method.

24-hours test. Habitability.

It is mutually understood and agreed, however, that as the last described trial is primarily designed to demonstrate the general conditions of habitability of the vessel and its ability to satisfactorily operate in the open sea in moderate weather in the principal condi-

No penalties.

tions in which it is designed to navigate, and that as the speeds specified are specified only for the purpose of describing and defining the character of conditions of said operations of the vessel, that the failure of the vessel to maintain during the trial at sea any of the average speeds stipulated herein under the various conditions of operations described, shall not empower the party of the second part to refuse to accept her or to enforce any penalty or penalties for or on account of such failure, nor shall it empower the party of the second part to require a repetition of the trial, if such failure be due to stresses of other than moderate weather, or to circumstances not connected with the vessel proper, or its appurtenances, machinery, appliances, or fittings: *Provided, however*, That in the event of such failure, if any dispute arises as to the cause or causes thereof, the facts and circumstances surrounding such failure shall be submitted to the Secretary of the Navy, and his decision shall be final and binding as to the repetition of such trial.

Terms defined.

It is mutually understood and agreed that the term "light condition" as employed in this agreement is not an exact descriptive term, and the party of the first part hereby reserves the right to carry upon any or all of the specified trials in the light condition such quantities of water ballast and in such locations as may be provided for in the design of the vessel or as may be deemed necessary or desirable by the party of the first part: *Provided, however*, That in every case the conditions shall be such that the vessel can be safely navigated in a moderate sea.

It is further mutually understood and agreed that the term "awash condition," employed in this agreement, defines the condition when the vessel is completely sealed up, ready for diving, and exposes when not under way only a part of the conning tower and such fittings as have the same or a greater elevation above the hull of the vessel.

Said vessel shall in addition fulfill on said trials the following conditions:

(1) The working of all the machinery, devices, appliances, and appurtenances, and all parts thereof, shall be to the satisfaction of the Secretary of the Navy.

(2) Said vessel shall be found in all its parts to be strong and well built and in strict conformity with this agreement, the drawings, plans, and specifications and duly authorized changes therein.

Additional trials.

If, upon the trials and tests required by this agreement, said vessel shall fail to fulfill the requirements and conditions hereof, the party of the first part shall be entitled to make further trials, sufficient in number to demonstrate its capabilities, provided that the number of trials shall be determined and limited by the Secretary of the Navy, and that all the expenses of all trials and tests of the vessel prior to preliminary or conditional acceptance shall be borne by the party of the first part.

Twelfth. The aforesaid tests and trials shall be made at a place or places to be agreed upon by the parties to this agreement, and all tests and trials shall be at the expense of the party of the first part: *Provided*, That such tests and trials shall be witnessed and reported upon by a board appointed by the Secretary of the Navy in order to determine whether or not the vessel as completed satisfies the requirements of this agreement and has satisfactorily fulfilled the requirements of the tests and trials specified in the eleventh clause hereof. The board shall have power to prescribe the order in which the trials shall be made and the precautions and methods necessary to insure accurate results, but shall have no power to direct the methods of operation of the vessel on trial, and the board shall take into account and report upon the performance of the vessel and her qualifications and capabilities with respect to the demonstration by tests and trials, as aforesaid, of special features not specifically covered in the tests and trials prescribed in the eleventh clause of this agreement. Upon the receipt of the report of the board the Secretary of the Navy shall determine whether or not in his opinion the vessel has satisfactorily fulfilled the speeds and other qualities guaranteed in this agreement and is at least equal in value for naval purposes to the best boat owned by the United States, or under contract therefor, on the 2d day of March, 1907. Should

the Secretary of the Navy find that the vessel has satisfactorily fulfilled the requirements as aforesaid, it shall be preliminarily accepted and the price stipulated in the sixteenth clause of this agreement for the completed boat paid, subject, however, to retention therefrom of a special reserve of fifteen thousand dollars ($15,000), to be paid as hereinafter specified, but should the speed and other qualities attained by the vessel on trial fall below the guarantees aforesaid, but not below certain minimum requirements hereinafter set forth, it may be conditionally accepted and payment made of the stipulated price, subject, however, to the deduction of the special reserve aforesaid and to additional deductions from the price in accordance with the following provisions, viz:

Preliminary acceptance.

Conditional acceptance.

Deductions: Below 13 knots.

First. If the average speed in the light condition on the four-hour trial provided for in the second paragraph of the eleventh clause shall fall below fourteen (14) knots an hour, but not below twelve and a half (12½) knots an hour, deductions from the stipulated price shall be made at the rate of ten thousand dollars ($10,000) a knot.

Fuel endurance failure.

Second. If the fuel endurance, as demonstrated by the four-hour trial under the oil engine only, provided for by the second paragraph of the eleventh clause, shall fall below seventy (70) hours, but not below sixty (60) hours, deductions from the stipulated price shall be made at the rate of five hundred dollars ($500) an hour.

Below 9½ knots.

Third. If the average speed for one hour in the submerged condition, using the periscope as provided for in the third paragraph of the eleventh clause, shall fall below nine and a half (9½) knots an hour, but not below nine (9) knots an hour, deductions from the stipulated price shall be made at the rate of fifteen thousand dollars ($15,000) a knot.

Battery incapacity.

Fourth. If the combined capacity of the storage battery and motor, as demonstrated by the trial provided for in the fourth paragraph of the eleventh clause, shall fall below the capacity necessary to maintain a speed of eight (8) knots in the submerged condition, but not below the capacity necessary to maintain a speed of seven and one-half (7½) knots in the submerged condition, deductions shall be made from the stipulated price at the rate of fifteen thousand dollars ($15,000) a knot.

Diving time exceeded.

Fifth. If the time required to pass from full speed in the light condition to full speed on the submerged condition, as demonstrated by the trial provided for in the fifth paragraph of the eleventh clause shall be greater than six (6) minutes, but less than eight (8) minutes, deductions from the stipulated price shall be made at the rate of five hundred dollars ($500) a minute.

Reversing screws too slowly.

Sixth. If the time required for reversing the screws, as demonstrated by the trial provided for in the ninth paragraph of the eleventh clause, shall be greater than ten (10) seconds, but less than fifteen (15) seconds, deductions shall be made from the stipulated price at the rate of one hundred dollars ($100) a second.

Metacentric height excessive.

Seventh. If the metacentric height of the boat submerged, as provided for in the eleventh paragraph of the eleventh clause, shall be less than fifteen (15) inches, but greater than ten (10) inches, deductions from the stipulated price shall be made at the rate of one thousand dollars ($1,000) an inch.

In the case of failure to demonstrate the maximum guarantees of one of more of the foregoing conditions, deductions shall be made from the stipulated price at the above-stated rates for the deficiency in each of such conditions where such failure appears.

It is mutually understood and agreed that the foregoing scheme of deductions is to be applied to fractional parts of a knot, an hour, a second, or an inch, as the case may require: *Provided always, however*, That all the other requirements and conditions of this agreement shall have been observed and fulfilled by the party of the first part; and, in case of such conditional acceptance, that such portion of the stipulated price of the vessel as may be necessary shall be applicable to or toward the satisfaction of such deductions, and shall be retained by the party of the second part for that purpose.

It is mutually agreed that unless said vessel shall be built and finished in accordance with this agreement and, when subjected to tests and trials as above provided, shall fulfill to the satisfaction of the Secretary of the Navy the trial requirements specifically stated and prescribed in the eleventh and twelfth clauses hereof, it shall not be accepted by the party of the second part, and no payment on its account shall be made under this agreement by the said party of the second part; and that nothing in this agreement contained constitutes or shall be construed as constituting a promise or an obligation, either direct or indirect on the part of the party of the second part, to accept or pay for said vessel unless it does, satisfactorily as aforesaid, fulfill said prescribed trial requirements.

Five months following preliminary acceptance.

In case of preliminary or conditional acceptance of the vessel, the said special reserve of fifteen thousand dollars ($15,000) from the price thereof, shall be held for a period of five months after the date of the preliminary or the conditional acceptance, during which period the party of the second part shall be at liberty to make such tests and trials of the vessel as it may desire, and if at any time during said period any weakness, or defect, other than that due to fair wear and tear, in the hull, fittings, equipment, or machinery, shall appear, or if any of the devices, appliances, or appurtenances appertaining to the vessel shall be found to be defective, the same shall be corrected and repaired, to the satisfaction of the Secretary of the Navy, at the risk and expense of the party of the first part.

Training naval crew.

The party of the first part hereby covenants and agrees to train a naval crew for said vessel, and will, for a period not exceeding two months, furnish at its own expense such operators and machinists skilled in the working, adjustment, and management of the vessel and its various mechanisms, devices, appliances, and appurtenances as may be necessary to properly instruct a naval crew in the management, handling, and care of the same. If the vessel be in commission, such experts are to be subject to the general direction and control of the officer in command of the vessel, it being mutually understood and agreed that this period of two months shall begin to run before the trials herein provided for and as soon as the vessel is complete in all essential respects, provided due notice in writing of such condition is given by the party of the first part to the Secretary of the Navy: *And provided further*, That in the event of a naval crew being assigned to the vessel for instruction prior to the trials provided for in the tenth clause of this contract, said period of two months shall be deemed and taken as exclusive of the time during which the vessel is not available for instruction purposes owing to said trials, and also of the time when the vessel is not available for instruction purposes owing to the acts of the party of the first part.

Final acceptance.

Upon the expiration of the said period of five months after the acceptance of the vessel, as hereinbefore provided for, it shall be finally accepted, provided the requirements of this agreement shall have been fulfilled and complied with by and on the part of the party of the first part, and the said special reserve or the remainder thereof, after deduction of any expenses incurred by the party of the second part in making good defects or completing uncompleted work, shall be paid, subject, however, to deduction on account of any reductions that may be made in the price of the vessel under the provisions of this agreement.

Forfeiture.

Thirteenth. It is further mutually understood, covenanted, and agreed that in case of the failure or omission of the party of the first part at any stage of the work prior to its completion, from any cause or causes other than those specified in this agreement, to go forward with the work and make satisfactory progress toward its completion, or to complete the vessel, within the period prescribed, the party of the second part may annul this agreement, and thereupon the obligations of the party of the second part under this agreement shall cease and determine. In case such annulment shall be declared, all articles or materials the property of the party of the second part in the hands of the party of the first part shall forthwith be returned to the party of the second part.

Not transferable.

Fourteenth. It is mutually understood, covenanted, and agreed, by and between the respective parties hereto, that this agreement shall not, nor shall any interest herein, be transferred by the party of the first part to any other person or persons.

Members of Congress and others.

Fifteenth. It is mutually and expressly covenanted and agreed, and this agreement is upon the express condition, that no Member of or Delegate to Congress, officer of the Navy, or any person holding any office or appointment under the Navy Department, is or shall be admitted to any share or part of this agreement, or to any benefit to arise therefrom; but this stipulation, so far as it relates to Members of or Delegates to Congress, shall not be construed to extend to this agreement, it being made with an incorporated company.

Sixteenth. The party of the second part, in consideration of the premises, does hereby agree with the party of the first part, as follows:

Price.

1. The price to be paid for the vessel to be constructed and furnished in accordance with this agreement shall be four hundred and fifty thousand dollars ($450,000).

Payments.

2. Payments shall be made by the party of the second part only after acceptance of the vessel by the Secretary of the Navy, as provided for in the twelfth clause of this agreement, and upon bills certified in such manner as shall be directed by the Secretary of the Navy, whose final approval of all bills thus certified shall be necessary before payment thereof.

3. All warrants for payments under this agreement shall be made payable to the party of the first part or its order.

Final payments.

4. When all the conditions, covenants, and provisions of this agreement shall have been performed and fulfilled by and on the part of the party of the first part, said party of the first part shall be entitled, within ten days after the filing and acceptance of its claim, to receive the said special reserve, or so much thereof as the said party of the first part may be entitled to, on the execution of a final release to the party of the second part, in such tenor and form as shall be approved by the Secretary of the Navy, of all claims of any kind or description under or by virtue of this agreement.

Release.

Disputes.

Seventeenth. If any doubts or disputes arise as to the meaning of anything in this agreement or in the drawings, plans, or specifications, or if any discrepancy appear between said drawings, plans, or specifications and this agreement, the matter shall be at once referred to the Secretary of the Navy for determination; and the party of the first part hereby binds itself and its successors and assigns and its legal representatives to abide by his decision in the premises.

Confidential by Government.

Eighteenth. The party of the second part hereby covenants and agrees to regard and hold as confidential all models, plans, specifications, weight records, speed records, or other data furnished or submitted to is or acquired by it under this agreement unless released in writing by the party of the first part, and further agrees to use due diligence and take reasonable precautions to prevent the acquirement by any unauthorized government, corporation, or person of such models, plans, specifications, weight records, speed records, or other data, but the party of the second part does not not guarantee the fidelity or the honesty with respect to said matters of its agents, officers, or employees.

Confidential by contractor.

Nineteenth. The party of the first part hereby covenants and agrees not to furnish to any government, corporation, or person, any information concerning the vessel built under this agreement as such. It being, however, mutually understood and agreed that nothing in this agreement is to be construed directly or indirectly as giving the party of the second part any right, title, or interest in, or exclusive control over, or license for the design of the vessel, its machinery, appurtenances, appliances, or fittings, or any part thereof, whether patented or not, it being mutually understood and agreed that the intent of this clause is only to prevent the party of the first party from informing any government, corporation, or person, as to the design, nature, and capabilities of the vessel furnished under this agreement, the right to use such design in foreign countries being expressly reserved by the party of the first part, but the party of the first part does not guarantee the fidelity or the honesty with respect to said matters of its agents, officers or employees.

In witness whereof, the respective parties hereto have hereunto set their hands and seals the day and year first above written.

Signed and sealed in the presence of—

[Company's seal.]

LAKE TORPEDO BOAT CO. [L. S.]

(Signed) By SIMON LAKE, *President.* [L. S.]

Attest:

(Signed) HENRY J. MILLER, [L. S.]
Secretary.

[Seal of United States.]

THE UNITED STATES, [L. S.]

(Signed) By V. H. METCALF,
As Secretary of the Navy

(Signed) E. P. HANNA,
Solicitor as to
V. H. METCALF, *Secretary of the Navy.*

APPENDIX E.

[Nos. 17-19.]

Contract for the construction of a submarine torpedo boat of about 340 tons displacement submerged.

Contract, of two parts, made and concluded this 23d day of November, A. D. 1907, by and between the Electric Boat Company, a corporation created under the laws of the State of New Jersey and doing business in the city of New York, in the State of New York, represented by the vice president of said company, party of the first part, and The United States, represented by the Secretary of the Navy, party of the second part.

Acts of Congress.

Whereas the act of Congress making appropriations for the naval service for the fiscal year ending June 30, 1907, approved June 29, 1906, as amended by the naval appropriation act of March 2, 1907, authorized the Secretary of the Navy to contract for the construction of submarine torpedo boats; and

Whereas, after adequate tests, as provided for by said acts, and due advertisement, the proposal of the said party of the first part for the construction of 3 of such boats (Nos. 17-19) complete in all respects has been duly accepted by the Secretary of the Navy:

Now, therefore, this contract witnesseth, That, in consideration of the premises and for and in consideration of the payments to be made as hereinafter provided, the party of the first part, for itself and its successors and assigns, and its legal representatives, does hereby covenant and agree to and with the party of the second part as follows, that is to say:

Character of vessel.

First. The party of the first part will, at its own risk and expense, construct, in accordance with drawings, plans, and specifications provided by it, one submarine torpedo boat, No. 17, with fittings, equipment, machinery, devices, appliances, and appurtenances of every kind with latest improvements, complete in all respects, of material of domestic manufacture, and in accordance with detailed plans and specifications to be prepared by the party of the first part and submitted to the party of the second part from time to time as may be necessary, and will deliver said boat on the Atlantic coast of the United States at such port as may be designated by the Secretary of the Navy, it being, however, expressly understood and agreed that if any article or thing included in or covered by the drawings, plans, and specifications aforesaid shall be found, during the prosecution of the work under this contract, to be not produced or manufactured in the United States, and if, after reasonable effort, it shall be found impracticable to obtain the same as an article of domestic manufacture, then, and in such case, provision shall be made, by or with the approval of the Secretary of the Navy, for such alteration in the drawings, plans, and specifications, or for the adoption of such new or different device or plan as

Place of delivery.

Domestic material.

may be found necessary in order to carry out and complete the contract, and that the cost of all such changes shall be borne by the party of the first part; and it is hereby further expressly understood and agreed that, in the performance of this contract, no persons shall be employed who are undergoing sentences of imprisonment at hard labor that have been imposed by courts of the several States, Territories, or municipalities having criminal jurisdiction.

Citizens of U.S. to be employed.

Second. It is further covenanted and agreed that the party of the first part will employ on the work of preparing plans, the actual work of building the vessel, and the running of trials citizens of the United States only; that access to the plans, specifications, the work under construction, and the trials shall be limited to citizens of the United States regularly employed upon or directly connected with the work, or designated by the order of the Secretary of the Navy for the examination, inspection, and trials of said vessel, and that the party of the first part will use its best efforts to prevent the employment by subcontractors of any but citizens of the United States in any position giving such employees access to the work of assembling the vessel as a whole, or to the plans and specifications: *Provided, however,* That nothing in this contract shall be construed as requiring the party of the first part, its agents, or subcontractors to separate the work under this contract in the shops and yard generally from other work in hand.

Changes and responsibility therefor.

Third. The party of the second part having adopted, as foundation for this contract, the plans and specifications of a submarine torpedo boat provided, and to be provided, by the party of the first part as aforesaid, assumes no responsibility with reference thereto, and will consider any changes therein suggested by the party of the first part, and will feel it to be its duty to deal liberally with such changes so long as the general requirements of the contract, plans, and specifications remain substantially the same and so long as the approval by the party of the second part of such changes shall not place the responsibility therefor upon the party of the second part or entitle the party of the first part to any additional compensation.

Conform to plans.

Fourth. The construction of said vessel (the word vessel as used throughout this contract being intended to include everything covered by the drawings, plans, and specifications above referred to) shall conform in all respects to and with said drawings, plans, and specifications, including duly authorized changes therein, which are hereto annexed and shall be deemed and taken as forming a part of this contract with the like operation and effect as if the same were incorporated herein. No omission in the drawings, plans, or specifications of any detail, object, or provision necessary to carry this contract into full and complete effect, shall operate to the disadvantage of the party of the second part, but the same shall be satisfactorily supplied, performed, and observed by the party of the first part, and all claims for extra compensation by reason of, or for, or on account of, such extra performance, are hereby and in consideration of the premises expressly waived.

Omissions from plans, etc.

Materials and workmanship.

Fifth. The materials and workmanship used and applied in the construction of the vessel herein contracted for, in details and finish in all their parts, shall be first-class and of the very best quality, and shall, from the beginning to the end of the work, be subject to the inspection of the Secretary of the Navy, it being hereby understood, covenanted, and agreed that the said Secretary may appoint suitable inspectors, to whom the party of the first part shall furnish such samples of said materials, and such information as to the quality thereof and the manner of using the same, as may be required, and also any assistance such inspectors may require in determining the quality of steel and other metals, and of wood and other materials, either used or intended for use in the construction of the vessel, its fittings, equipment, machinery, devices, appliances, or appurtenances, and that the inspectors may, with the approval of the said Secretary, peremptorily reject any unfit workmanship or material or forbid the use thereof. The inspectors shall, at all times during the progress of the work, have full access thereto, and the party of the first part shall furnish them with full facilities for the inspection and superintendence of the same.

Inspection.

All plans shall be subject to the approval of the Secretary of the Navy or his authorized representatives as is customary in the case of other vessels for the Navy built by contract.

Sixth. It is mutually understood and agreed that the party of the first part will furnish to the party of the second part on or before the date of final acceptance of said vessel one correct set of tracings of plans appertaining thereto and applicable to the other two vessels of the class, only one complete set of plans being required for the three vessels, in lieu of the finished plans sometimes or usually prepared by the party of the second part. The facilities for making any necessary special plans not included among those furnished by the party of the first part, checking dimensions of the vessel and its parts, etc., by draftsmen employed for that purpose by the party of the second part, will be provided by the party of the first part. One set of tracings to be furnished.

Seventh. The steel and other materials to be used in the construction of the vessel hereby contracted for shall conform in general to the specifications for inspection of material for use in the construction of the hulls and the machinery of vessels for the United States Navy, approved by the Secretary of the Navy, which specifications are annexed to and form a part of this contract, so far as the same are, in the judgment of the Secretary of the Navy, suitable for and applicable to this special construction. Steel and other materials.

Eighth. The party of the first part, in consideration of the premises, hereby covenants and agrees to hold and save the United States harmless from and against all and every demand or demands of any nature or kind heretofore made or that shall hereafter be made for or on account of the adoption of any plan, model, design, or suggestion, or for or on account of the use of any patented invention, article, or appliance that has been or may be adopted or used in or about the construction of said vessel, or any part thereof, under this contract, and to protect and discharge the Government from all liability on account thereof, or on account of the use thereof, by proper releases from patentees, or otherwise, and to the satisfaction of the Secretary of the Navy. Patents.

Ninth. The vessel herein contracted for, and all materials and appliances provided for and used, or to be used, in the construction thereof, shall be kept duly insured against fire and marine risks, settling of stocks, breakage of ways, and risks of launching, which insurance shall be renewed and increased, from time to time, by and at the expense of the party of the first part, until the preliminary or the conditional acceptance of the vessel, the loss, if any, to be stated in the policies as payable to the Secretary of the Navy; the insurance to be effected in such manner and in such companies as shall be approved by him, and in amounts to be fixed, from time to time, by him, not exceeding the sum of the payments made under this contract. Insurance.

Tenth. The vessel herein contracted for shall be completed in every respect in accordance with the drawings, plans, and specifications, and duly approved changes therein, and ready for delivery to the United States within twenty-four months from the date hereof; but the lien of the party of the second part upon said vessel and the materials on hand for use in the construction thereof, respectively and collectively, for all moneys paid on account thereof, shall begin with the first payment, and shall thereupon attach to the work done and materials furnished, and shall, in like manner, attach, from time to time, as the work progresses, and as further payments are made, and shall continue until it shall have been properly discharged. In case the completion of the vessel as aforesaid shall be delayed beyond the periods hereinbefore fixed therefor, deductions on account thereof may, in the discretion of the Secretary of the Navy, be made from the price stipulated in this contract for each and every day (excepting Sundays) during the continuance of such delay, and until the vessel shall be completed as aforesaid and ready for delivery to the United States, as follows, viz: Thirty-five dollars ($35) a day during the first month next succeeding the expiration of said period, and one hundred dollars ($100) a day thereafter; all such deductions to be made, from time to time, from any payment or payments falling due under this contract: *Provided, however,* That such delay shall not have been caused by the act of the party of the second part, or by fire or water, or by Time of completion. Government lien. Penalty for delay.

any strike or stand out of workmen employed in the construction of the vessel, or by other circumstances beyond the control of the party of the first part, but such circumstances shall not be deemed to include delays in obtaining materials when such delays arise from causes other than those herein specified: *Provided further*, That if it shall appear to the satisfaction of the Secretary of the Navy that the party of the first part ordered all necessary materials at the proper time and used every reasonable effort to obtain the delivery of such materials at the time and in the order required to carry on the work properly, but that nondelivery of such materials delayed the completion of the vessel, he may, in his discretion, grant such extension of time for the fulfillment of the contract as he may deem proper under the circumstances: *And provided further*, That in case of any such alleged delay the party of the first part shall give immediate notice thereof in writing to the Secretary of the Navy.

Delay in obtaining material.

Extensions.

Deductions referred to the Secretary.

In case any question shall arise under this contract concerning deductions for delay, as aforesaid, such question, with all the facts relating thereto, shall be submitted to the Secretary of the Navy for consideration, and his decision thereon shall be conclusive and binding upon the parties to this contract.

Extensions of time.

All delays that the Secretary of the Navy shall find to be properly attributable to the party of the second part, and to have been delays operating upon the completion of the vessel, shall entitle the party of the first part to a corresponding extension of the period prescribed for the completion of the vessel: *Provided, however*, That no delay, nor the alleged cause or causes thereof, attributed by the party of the first part to the party of the second part, shall be considered by the Secretary of the Navy unless the party of the first part shall, at the time of the occurrence of such delay, notify him in writing of the facts and circumstances in each case, and of the extent to which the said party of the first part claims that the completion of the vessel is thereby delayed: *And provided further*, That the said Secretary may, without prejudice to the rights of the party of the first part, reserve his decision upon any or all claims for extension until such time as he may consider desirable, and if deemed expedient until after the completion of said vessel, the work on it in the meantime in accordance with the contract, plans, and specifications not to be discontinued or delayed on account thereof.

Trials.

Eleventh. When said vessel shall be completed in every respect and ready for delivery to the United States as aforesaid, it shall be subjected to the following tests and trials in smooth water prior to delivery, viz:

Standardization.

First. Standardization trials: To be held over a measured mile course in three conditions, viz., the light condition, using oil engine only; the awash condition, using the electric motor only, and the submerged condition with periscope, using electric motor only. At least three pairs of runs over the course will be made in each condition, ranging from the lowest to the highest speeds proper for the condition. In addition, the speed of the vessel in the light condition while charging storage batteries at the normal rate, using the oil engine only, will be determined by a pair of runs over the measured mile course. During one run, submerged, at full speed, the vertical control must be such that the maximum variation of depth while on the course shall not be more than 3 feet.

Light condition.

Second. A trial of four hours' duration in the light condition under the oil engine only, during which the consumption of fuel shall be measured. The party of the first part hereby guarantees that the speed developed by said vessel during this trial shall be not less than an average of thirteen (13) knots an hour, and that the endurance ascertained by a comparison of the fuel consumed during this trial with the total capacity of the fuel tank or tanks shall be not less than sixty (60) hours.

13 knots.

Submerged.

Third. A trial at maximum speed of one hour's duration in the submerged condition, using the periscope, under the electric motor only. During this trial, while the boat is at full speed, a dummy torpedo will be fired at a suitable target from each tube or other means of discharge provided. The party of the first part hereby guarantees that

the speed developed by the said vessel during this trial shall be not less than an average of nine and a half (9½) knots an hour. 9½ knots.

Fourth. A storage battery endurance trial for three hours in the light condition, during which the average output of the battery in watts shall be the maximum that its capacity, or the capacity of the motor, will permit. The party of the first part hereby guarantees that the three-hour capacity of the battery and motor, as determined by this trial, shall be sufficient to give a speed of eight (8) knots in the submerged condition, as determined by the standardization provided for in the first paragraph of this clause.

Fifth. The vessel in the light condition shall proceed under the oil engine alone at an average speed of not less than thirteen (13) knots, and upon a predetermined signal she shall be brought to a speed of eight (8) knots, as indicated by the revolutions of the screws, with her hull, except periscope, entirely submerged. The party of the first part hereby guarantees that the time required to perform this maneuver shall not exceed six (6) minutes. Diving test. Six minutes.

Sixth. The party of the first part shall furnish for use during the trial of the vessel a number of dummy torpedoes equal in number to the allowance of torpedoes of the vessel. These dummies shall be of the same dimensions and form as the torpedo to be used in the vessel and shall have reserve of buoyancy of not more than 30 pounds. The center of buoyancy shall be in the same position as in the torpedo. They shall be fitted with guides and starting levers of the form and dimensions and in the same positions as those of the actual torpedoes, and the starting levers shall be so fitted as to move through the same travel and require the same power to move as the starting levers in the actual torpedoes, and they shall in addition be so fitted as to indicate whether this movement has taken place at the time of discharge from the torpedo tubes. Dummy torpedoes.

The vessel, with the number of dummy torpedoes on board equal to the number of torpedoes the vessel is designed to carry in service, shall, during its submerged run at full speed, discharge all the dummy torpedoes on board in succession, the vessel being steered by observations through the periscope directly toward a target, not less than 2,500 yards distant, when the first dummy torpedo is fired. This target shall be a vessel at anchor. Discharging torpedoes.

The vessel shall demonstrate its capability of being so steered and controlled as to be held pointed, within one degree of arc, at the center of the target during the interval between the order "fire" and the instant when the dummy torpedo is completely clear of the vessel.

The starting attachment fitted to the dummy shall be operated by the tripping gear of the tube.

The impulse used for the discharge of the dummy torpedo shall not exceed 50 pounds per square inch in the torpedo tube.

After this test the dummy torpedoes shall be examined, and if any evidence of damage to a dummy incident to discharge from the vessel shall be discovered it shall be considered that this test has not been successfully accomplished.

Seventh. The lowest speed at which the vessel can be controlled when submerged and the required battery output in watts having been ascertained during the standardization trials, the endurance at that speed shall be determined by completely discharging the battery at the required average rate of output in watts, either through the motor or through resistances, the vessel being either at the dock or under way, as shall be most convenient for the conduct of this test. Endurance at lowest speed.

Eighth. The vessel shall make a trial to demonstrate her ability to remain submerged when not under way. Endurance submerged not under way.

(1) With the periscope exposed for observation.

(2) With the periscope completely submerged.

Ninth. The vessel shall make the necessary trials to determine the tactical diameter in the light, awash, and submerged conditions and the time necessary for reversing the screws in the light condition, which shall not exceed ten (10) seconds from the time the oil engines are going ahead at full speed until the propeller shafts start to reverse. The final diameter shall not exceed eight (8) lengths of the boat in any condition. Tactical diameter. Reversing screws.

Tenth. One of the three similar boats covered by the contracts of this date—said boat to be selected by the party of the second part—shall be tested by actual submergence to a depth of 200 feet from the surface to the axis of the boat. It shall remain at this depth for not less than ten minutes. No appreciable injurious permanent deflection or strain shall result from this test. In case of failure under this test of the boat selected for such test, the defects noted shall be remedied and the boat subjected to an additional test, and if then satisfactory in all respects as to strength under submergence, the changes made on the boat tested shall be incorporated in the other boats of the group.

200 feet submergence.

Eleventh. The metacentric height of each boat submerged, carrying full supply of fuel and torpedoes, will be determined by experiment, and shall be not less than thirteen (13) inches.

Metacentric height.

Twelfth. In addition to the above-described trials, the said vessel shall be subjected to the following trial in a moderate sea:

The vessel shall be taken to the open sea in the light condition and shall there begin a service test of twenty-four (24) hours' duration, during which the vessel with crew shall be entirely self-sustaining. She shall begin this trial with her storage batteries not more than half charged, and shall first completely charge them (at the normal rate) while under way at an average speed during the period of charging of not less than six (6) knots. After completely charging the batteries, the vessel shall continue under her oil engine at an average speed of not less than thirteen (13) knots for at least two hours, and until such time as she may be directed to dive, when she shall pass to the submerged condition and make an endurance test submerged, during two hours of which she shall maintain an average speed of nine (9) knots and for at least four hours more of which she shall maintain a reduced average speed of not less than four and one-half (4½) knots. The total duration of the submerged portion of this trial—all of which shall be made during daylight—shall not be less than six hours. The number and duration of the exposures of the periscope, or conning tower, shall be determined by the conditions of navigation existing at the time and place of trial. After completing the submerged portion of this trial, the vessel shall come to the surface and be brought at once to the light condition, and shall then continue the trial, recharging the storage batteries at the normal charging rate while under way at an average speed, during the period of charging, of not less than six (6) knots. After the storage battery has been recharged to any desired amount the charging will be stopped, and the vessel shall then continue under her oil engine at an average speed of not less than thirteen (13) knots for the remainder of the twenty-four (24) hours. All speeds referred to shall be determined by the standardized screw method.

24-hours test.

Habitability.

It is mutually understood and agreed, however, that as the last described trial is primarily designed to demonstrate the general conditions of habitability of the vessel and its ability to satisfactorily operate in the open sea in moderate weather in the principal conditions in which it is designed to navigate, and that as the speeds specified are specified only for the purpose of describing and defining the character of conditions of said operations of the vessel, that the failure of the vessel to maintain during the trial at sea any of the average speeds stipulated herein under the various conditions of operations described, shall not empower the party of the second part to refuse to accept her or to enforce any penalty or penalties for or on account of such failure; nor shall it empower the party of the second part to require a repetition of the trial, if such failure be due to stresses of other than moderate weather, or to circumstances not connected with the vessel proper, or its appurtenances, machinery, appliances, or fittings: *Provided, however*, That in the event of such failure, if any dispute arises as to the cause or causes thereof, the facts and circumstances surrounding such failure shall be submitted to the Secretary of the Navy, and his decision shall be final and binding as to the repetition of such trial.

No penalties.

It is mutually understood and agreed that the term "light condition" as employed in this contract is not an exact descriptive term, and the

Terms defined.

party of the first part hereby reserves the right to carry upon any or all of the specified trials in the light condition such quantities of water ballast and in such locations as may be provided for in the design of the vessel or as may be deemed necessary or desirable by the party of the first part: *Provided, however*, That in every case the conditions shall be such that the vessel can be safely navigated in a moderate sea.

It is further mutually understood and agreed that the term "awash condition," employed in this contract, defines the condition when the vessel is completely sealed up, ready for diving, and exposes when not under way only a part of the conning tower and such fittings as have the same or a greater elevation above the hull of the vessel.

All trials at contractors' expense.

The above-described tests and trials shall be made by and at the expense of the party of the first part under the supervision of a board appointed by the Secretary of the Navy, in order to demonstrate the specified guarantees and the successful operation of the vessel and all its appurtenances, and said vessel shall in addition fulfill on said trials the following conditions:

(1) The working of all the machinery, devices, appliances, and appurtenances, and all parts thereof, shall be to the satisfaction of the Secretary of the Navy.

(2) Said vessel shall be found in all its parts to be strong and well built and in strict conformity with the contract, drawings, plans, and specifications and duly authorized changes therein.

Additional trials.

If, upon the trials and tests required by this contract, said vessel shall fail to fulfill the requirements and conditions hereof, the party of the first part shall be entitled to make further trials, sufficient in number to demonstrate its capabilities, provided that the number of trials shall be determined and limited by the Secretary of the Navy, and that all the expenses of all trials and tests of the vessel prior to preliminary or conditional acceptance shall be borne by the party of the first part.

Preliminary acceptance.

Twelfth. If, at and upon the trials and tests before mentioned, the foregoing requirements and conditions shall be fulfilled, and if the speeds and other qualities guaranteed as aforesaid shall be attained as aforesaid, then and in such case the vessel shall be preliminarily accepted, and payment of the last installment of the price stipulated in this contract shall be made, subject, however, to a special reserve therefrom of twelve thousand five hundred dollars ($12,500); but if the speed and other qualities attained by the vessel on trial shall fall below the guarantees as aforesaid, but not below certain minimum requirements hereinafter set forth, it shall be conditionally accepted, subject to deductions from the price in accordance with the following provisions, viz:

Conditional acceptance.

Deductions: Below 13 knots.

First. If the average speed in the light condition on the four-hour trial provided for in the second paragraph of the eleventh clause shall fall below thirteen (13) knots an hour, but not below twelve and a half (12½) knots an hour, deductions from the contract price shall be made at the rate of ten thousand dollars ($10,000) a knot.

Fuel endurance failure.

Second. If the fuel endurance, as demonstrated by the four-hour trial under the oil engine only, provided for by the second paragraph of the eleventh clause, shall fall below sixty (60) hours, but not below fifty (50) hours, deductions from the contract price shall be made at the rate of five hundred dollars ($500) an hour.

Below 9½ knots.

Third. If the average speed for one hour in the submerged condition, using the periscope as provided for in the third paragraph of the eleventh clause, shall fall below nine and a half (9½) knots an hour, but not below nine (9) knots and hour, deductions from the contract price shall be made at the rate of fifteen thousand dollars ($15,000) a knot.

Battery incapacity.

Fourth. If the combined capacity of the storage battery and motor, as demonstrated by the trial provided for in the fourth paragraph of the eleventh clause, shall fall below the capacity necessary to maintain a speed of eight (8) knots in the submerged condition, but not below the capacity necessary to maintain a speed of seven and one-half (7½) knots in the submerged condition, deductions shall be made from the contract price at the rate of fifteen thousand dollars ($15,000) a knot.

Diving time exceeded.

Fifth. If the time required to pass from full speed in the light condition to full speed on the submerged condition, as demonstrated by the trial provided for in the fifth paragraph of the eleventh clause, shall be greater than six (6) minutes, but less than eight (8) minutes, deductions from the contract price shall be made at the rate of five hundred dollars ($500) a minute.

Reversing screws too slowly.

Sixth. If the time required for reversing the screws, as demonstrated by the trial provided for in the ninth paragraph of the eleventh clause, shall be greater than ten (10) seconds, but less than fifteen (15) seconds, deductions shall be made from the contract price at the rate of one hundred dollars ($100) a second.

Metacentric height excessive.

Seventh. If the metacentric height of the boat submerged, as provided for in the eleventh paragraph of the eleventh clause, shall be less than thirteen (13) inches, but greater than ten (10) inches, deductions from the contract price shall be made at the rate of one thousand dollars ($1,000) an inch.

In the case of failure to demonstrate the maximum guarantees of one or more of the above conditions, deductions shall be made from the contract price at the above-stated rates for the deficiency in each of such conditions where such failure appears.

It is mutually understood and agreed that the foregoing scheme of deductions is to be applied to fractional parts of a knot, an hour, a second, or an inch, as the case may require: *Provided always, however*, That all the other requirements and conditions of this contract shall have been observed and fulfilled by the party of the first part; and, in case of such conditional acceptance, that the last installment of the price of the vessel upon failure to meet the requirements shall be applicable to or toward the satisfaction of such deductions, and shall be retained by the party of the second part for that purpose: *And provided further*, That if the vessel fails to attain the minimum guarantees above set forth, it shall be optional with the Secretary of the Navy to reject it or to accept it at a reduced price and upon conditions to be agreed upon between the said Secretary and the party of the first part.

Rejection.

Five months following preliminary acceptance.

In case of preliminary acceptance of the vessel, the said special reserve of twelve thousand five hundred dollars ($12,500) from the price thereof, or, in case of conditional acceptance, the said last installment of price, or so much thereof as may, in the judgment of the Secretary of the Navy, be necessary, shall be held for a period of five months after the date of the preliminary or the conditional acceptance, during which period the party of the second part shall be at liberty to make such tests and trials of the vessel as it may desire, and if at any time during said period any weakness, or defect, other than that due to fair wear and tear, in the hull fittings, equipment or machinery, shall appear, or if any of the devices, appliances, or appurtenances appertaining to the vessel shall be found to be defective, the same shall be corrected and repaired, to the satisfaction of the Secretary of the Navy, at the risk and expense of the party of the first part.

Training naval crew.

The party of the first part hereby covenants and agrees to train a naval crew for the vessel herein contracted for and will, for a period not exceeding two months, furnish at its own expense such operators and machinists skilled in the working, adjustment, and management of the vessel and its various mechanisms, devices, appliances, and appurtenances as may be necessary to properly instruct a naval crew in the management, handling, and care of the same. If the vessel be in commission, such experts are to be subject to the general direction and control of the officer in command of the vessel, it being mutually understood and agreed that this period of two months shall begin to run before the trials herein provided for and as soon as the vessel is complete in all essential respects, provided due notice in writing of such condition is given by the party of the first part to the Secretary of the Navy: *And provided further*, That in the event of a naval crew being assigned to the vessel for instruction prior to the trials provided for in the tenth clause of this contract, said period of two months shall be deemed and taken as exclusive of the time during which the vessel is not available for instruction purposes owing to said trials, and also of the time when the vessel is not available for instruction purposes owing *to the acts* of the party of the first part.

Upon the expiration of the said period of five months after the acceptance of the vessel, as hereinbefore provided for, it shall be finally accepted, provided the requirements of this contract shall have been fulfilled and complied with by and on the part of the party of the first part and the said special reserve or the surplus, if any, of the said last installment of price paid, subject, however, to deduction on account of any reductions that may be made in the price of the vessel under the provisions of this contract. Final acceptance.

In case of the rejection of said vessel for any of the causes provided for in this contract, the party of the first part shall refund to the party of the second part on demand, or within sixty days thereafter, all payments theretofore made to the said party of the first part, for or on account of the construction of such vessel. Refund on rejection.

Thirteenth. It is further mutually understood, covenanted and agreed that in case of the failure or omission of the party of the first part at any stage of the work prior to its completion, from any cause or causes other than those specified in the tenth clause of this contract, to go forward with the work and make satisfactory progress toward its completion within the periods prescribed, the party of the second part may declare this contract forfeited. In case such forfeiture shall be declared, the title to said vessel and all its parts, or so much thereof as shall have been completed, and to all materials on hand applicable thereto, shall forthwith vest in the party of the second part, subject, however, to rejection as hereinafter provided for; and the party of the second part may immediately enter the works and premises of the party of the first part or of the company building said vessel for the party of the first part and take possession of said vessel and materials. The Secretary of the Navy shall thereupon cause to be taken and filed a full and complete statement and inventory of all work done or begun in, upon, or about said vessel, and of all materials on hand applicable thereto, by a board consisting of not less than five persons, qualified by knowledge and experience for the discharge of their duties, to be appointed by the Secretary of the Navy, which board shall proceed without unnecessary delay to examine such work and materials, and upon such examination the party of the first part may attend, by representative, and if it so desires, by counsel, and submit such evidence as the board may deem proper. Forfeiture. Title to vessels. Inventory.

Fourteenth. Upon receipt of the report and inventory of said board, and upon its approval thereof, the party of the second part may proceed with the completion of said vessel, including trials, in accordance with this contract, either at the works where building or elsewhere, by contract or otherwise, in its discretion, using for that purpose all suitable materials on hand and included in the inventory aforesaid, and may remove said vessel and materials to such other place or places as may be requisite to the exercise of such discretion, and the party of the first part does hereby for itself, and its successors and assigns, and its legal representatives, covenant and agree to and with the party of the second part that, on receiving notice of the intention of the party of the second part to proceed with the completion of the work, it will surrender said vessel and all materials on hand, together with the use, if required, of the yard or plant, and all machinery, tools, and appliances appertaining thereto and theretofore used, or necessarily to be used, in and about the finishing of the work. The completing of the vessel and all other work shall be carried on without unnecessary delay, and shall be at the risk and expense of the party of the first part, which party shall be chargeable with any increase in the cost of materials or labor incurred by reason of its failure to perform this contract, and with the cost of making good any improper or defective work discovered in such parts of the vessel as may have been constructed by it, or replacing any defective material furnished by it. Completion. Removal. Surrender of plant

Upon the final settlement of the liability of the party of the first part an account shall be stated substantially as follows: Account stated.

The party of the first part shall be charged—

1. With all payments made to it under this contract, less such payments, if any, as may have been refunded.

2. With the cost of materials and labor and all other expenses incurred by or on behalf of the party of the second part in finishing the

work in accordance with the contract and specifications and changes duly authorized at the time of forfeiture.

3. With such deductions for delay in completion, and for failure to attain the minimum requirements of performance on trial laid down in the twelfth clause of this contract as the Secretary of the Navy shall deem proper under all the circumstances, giving due consideration to the degree of completion of the vessel at the time of forfeiture.

Final settlement.

If the total amount thus charged against the party of the first part shall be less than the price of the vessel, plus the net extras at the date of forfeiture, the difference shall be paid to and accepted by said party of the first part in full discharge of all claims under this contract, but if said amount shall exceed the price of the vessel, plus net extras at the date of forfeiture, the party of the first part hereby convenants and agrees as aforesaid to pay such excess on demand.

Rejection on forfeiture.

Fifteenth. In case the party of the second part should, however, decide not to proceed with the completion of said vessel, as aforesaid, it shall be rejected and the party of the first part shall thereupon and on notice thereof in writing be, and the said party of the first part does hereby, in consideration of the premises for itself, and its successors and assigns, and its legal representatives, acknowledge itself to be justly indebted to the party of the second part as for liquidated and ascertained damages in a sum equal to the aggregate amount of all payments theretofore made to it for or on account of work done under this contract, and does further covenant and agree, as aforesaid, to refund the same on demand or within sixty days thereafter, and that the party of the second part shall and may hold as collateral security for such refund said vessel or so much thereof as shall then have been constructed and all materials furnished or on hand for the purposes of construction.

Building contractors bound.

The party of the first part hereby covenants and agrees as aforesaid that it will stipulate expressly with such company or companies as it may contract with for building said vessel that such company or companies shall be bound by the provisions of this contract so far as relates to the surrender of the boat, material on hand, the yard, the plant, and the machinery and so forth in case of forfeiture of this contract, and a certified copy of such stipulation shall be furnished to the Secretary of the Navy.

No obligation to accept.

Sixteenth. It is mutually understood, covenanted, and agreed, by and between the respective parties hereto, that it shall not, under any circumstances, be obligatory upon the party of the second part to accept or pay for the vessel, or any part thereof, to be constructed under this contract, unless it shall have been completed in strict conformity with this contract, and that this qualification shall be deemed and taken as applicable and applying to each and every clause, covenant, and condition, express or implied, in this contract contained.

Not transferable.

Seventeenth. It is mutually understood, covenanted, and agreed, by and between the respective parties hereto, that this contract shall not, nor shall any interest herein, be transferred by the party of the first part to any other person or persons.

Members of Congress and others.

Eighteenth. It is mutually and expressly covenanted and agreed, and this contract is upon the express condition, that no Member of or Delegate to Congress, officer of the Navy, nor any person holding any office or appointment under the Navy Department, is or shall be admitted to any share or part of this contract, or to any benefit to arise therefrom; but this stipulation, so far as it relates to Members of or Delegates to Congress, shall not be construed to extend to this contract, it being made with an incorporated company.

Nineteenth. The party of the second part, in consideration of the premises, does hereby contract, promise, and engage, to and with the party of the first part, as follows:

Price.

1. The price to be paid for the vessel to be constructed and furnished in accordance with this contract shall be three hundred and sixty thousand dollars ($360,000).

Payments.

2. Payments shall be made by the party of the second part in ten equal installments as the work progresses.

3. No payment shall be made except upon bills certified by the inspectors of hull and machinery of the vessel in such manner as shall be directed by the Secretary of the Navy, whose final approval of all bills thus certified shall be necessary before payment thereof.

4. All warrants for payments under this contract shall be made payable to the party of the first part or its order.

5. Payment of the last installment shall not be made except as provided for in the twelfth clause hereof.

No liens.

6. When a payment is to be made under this contract, as a condition precedent thereto, the Secretary of the Navy may, in his discretion, require, for the protection of the party of the second part, evidence satisfactory to him, to be furnished by the party of the first part, that no liens or rights in rem of any kind against said vessel or its fittings, equipment, machinery, devices, appliances, or appurtenances, or the material on hand for use in the construction thereof, have been or can be acquired, for or on account of any work done, or any fitting, equipment, machinery, devices, appliances, appurtenances, or material already incorporated as a part of said vessel, or on hand for that purpose, or that such liens or rights have been either released absolutely or so subordinated to the rights of the Government as to make its lien for all payments paramount, so as not to encumber or hinder in any way the right of the Government to accept or reject said vessel, and so as to become absolutely extinguished in case of the acceptance of the vessel; but it is hereby further stipulated, covenanted, and agreed, and this contract is upon the express condition, that no lien shall lie or attach upon or against said vessel or the materials therefor, or any part thereof or of either, in favor of any other party, person or persons, firm, association, company, or corporation for or on account of any work done upon or about said vessel or materials or of any materials furnished therefor or in connection therewith, nor for or on account of any other cause or thing or of any claim or demand of any kind against the said party of the first part, its successors, assigns, or legal representatives.

Final payments.

7. When all the conditions, covenants, and provisions of this contract shall have been performed and fulfilled by and on the part of the party of the first part, said party of the first part shall be entitled, within ten days after the filing and acceptance of its claim, to receive the said special reserve or the surplus, if any, of said last installment of price, or so much of either as the said party of the first part may be entitled to, on the execution of a final release to the party of the second part, in such form as shall be approved by the Secretary of the Navy, of all claims of any kind or description under or by virtue of this contract, except claims that the Secretary of the Navy is not authorized to entertain or adjust, and except only such claims of said character as shall be made known and specified to the said Secretary at the time of the signing of the release herein required.

Release.

Disputes.

Twentieth. If any doubts or disputes arise as to the meaning of anything in the drawings, plans, or specifications, or if any discrepancy appear between said drawings, plans, or specifications and this contract, the matter shall be at once referred to the Secretary of the Navy for determination; and the party of the first part hereby binds itself and its successors and assigns and its legal representatives to abide by his decision in the premises.

Confidential by Government.

Twenty-first.—The party of the second part hereby covenants and agrees to regard and hold as confidential all models, plans, specifications, weight records, speed records, or other data furnished or submitted to it or acquired by it under this contract unless released in writing by the party of the first part, and further agrees to use due diligence and take reasonable precautions to prevent the acquirement by any unauthorized government, corporation, or person of such models, plans, specifications, weight records, speed records, or other data, but the party of the second part does not guarantee the fidelity or the honesty with respect to said matters of its agents, officers, or employees.

Confidential by contractor.

Twenty-second.—The party of the first part hereby covenants and agrees not to furnish to any government, corporation, or person any information concerning the vessel built under this contract as such. It being, however, mutually understood and agreed that nothing in this contract is to be construed directly or indirectly as giving the party of the second part any right, title, or interest in, or exclusive control over, or license for the design of the vessel, its machinery, appurtenances, appliances, or fittings, or any part thereof, whether patented or not, it *being mutually* understood and agreed that the

intent of this clause is only to prevent the party of the first part from informing any government, corporation, or person as to the design, nature, and capabilities of the vessel furnished under this contract, the right to use such design in foreign countries being expressly reserved by the party of the first part, but the party of the first part does not guarantee the fidelity or the honesty with respect to said matters of its agents, officers, or employees.

In witness whereof the respective parties hereto have hereunto set their hands and seals the day and year first above written.

[SEAL OF E. B. CO.] ELECTRIC BOAT COMPANY. [L. S.]
By L. Y. SPEAR, *Vice-President.* [L. S.]

Signed and sealed in the presence of—
R. E. LOGAN.

THE UNITED STATES. [L. S.]
[SEAL OF NAVY DEPARTMENT.] By V. H. METCALF, [L. S.]
Secretary of the Navy.

E. P. HANNA,
Solicitor, as to
V. H. METCALF.
Secretary of the Navy.

TESTIMONY OF EDGAR L. CLARKSON—Continued.

EDGAR L. CLARKSON, being first duly sworn, on being examined, testified as follows:

The CHAIRMAN. Mr. Howard will examine this witness.

By Mr. HOWARD:

Q. Are you secretary to Congressman Hobson?—A. Yes, sir.

Q. Have you any knowledge of any conversation with Mr. Spear? Do you know Mr. Spear?—A. I met him for the first time in the latter part of November; I think it was about the 23d or 24th.

Q. Was that your first knowledge of him?—A. I had talked to him several times over the telephone before that, but I had never met him.

Q. Will you tell the committee, please, what your interview with him was—what you said and what he said?—A. Would I be allowed to state the connection, what led up to that conversation, the telephone conversation?

Q. Yes.—A. Captain Hobson was sick at the time with the grip and I went to see him, and he gave me a letter in which Mr. Spear requested an interview with him, and said there was a matter for me——

Q. That was in Washington?—A. Yes, sir.

Q. What month?—A. It was in November, 1907, about the 20th. The letter was signed "L. Spear," and he asked me if I knew who that was, and I told him no. He said he knew several Spears, he did not know which one it was, but would like for me to call him up and tell him he was sick and it would be impossible for him to see him. So I called Mr. Spear up from my apartments, and Mr. Spear was not at the hotel, and I left my 'phone number and name there. I think it was late that same night he called me up and I told him Captain Hobson was sick and could not see him, and asked him whether there was anything that I could do for him. He said no, it was a personal matter he wanted to see Captain Hobson about, and he would like to see him very much. I told him I did not think it possible, and that ended the conversation. The following day he called me up again, and he asked me if it was possible to see Captain

Hobson, and how he was. I told him Captain Hobson was still in bed; I didn't think there was any chance for him to see him. I think that ended that conversation. He called me up a third time—or at least the second time, I had called him up the first time—and he asked me if Captain Hobson was any better. I told him no.

At that conversation I told him I had been with Captain Hobson quite a while, and I thought that anything he wanted to say to Captain Hobson perhaps I could attend to or it could be attended to through me. So he suggested that I call at the hotel to see him, and I made an engagement at 1 o'clock Saturday, but I was a little late and missed him, so I called again that evening and asked the hotel clerk, and he pointed him out, and Mr. Spear, when I went up and spoke to him, told me that he was a little late, too, and in that way had missed each other. And he said that he would like to talk to me a little while, and suggested that we go into the writing room where we could be private. We went into the writing room, and after talking a little while on general subjects, I don't recollect what they were, he asked me "How is Captain getting along in his effort to get on the Naval Committee?" I said as far as I knew he was getting on all right. Well, he said he felt very friendly toward Captain Hobson and would like to help him, but before he could exert the full influence, or the full help that he would give him, he would have to know how he stood in a proposition in which he was interested. I told him I was quite familiar with Captain Hobson's business, and perhaps I could tell him, but he did not tell me at the time what the proposition was. He then asked me, "How does Captain Hobson and Mr. Williams stand?" I said as far as I knew I thought that they were very friendly. He said, "That is good, because anything that I could do would be through the Speaker." He said, "Any influence that we could bring to bear would be through the Speaker." I went on talking to him, and he said that they could "bring enough influence to bear to land him on the committee"—he used those words. Then I asked him again what was the proposition that he was interested in. I did not know his business, and he said it was the question of submarines. That was about the extent of the conversation. I told him I would deliver the message to Captain Hobson and I expected to see him the next day. I went home and the proposition was—I was new up here and it was a startling proposition to me, and I repeated the conversation word for word to my wife.

Then I went to see Captain Hobson, I think about 11 o'clock the next morning. He was still lying down, but not on bed. He was on a couch, and I told him what Mr. Spear had said to me. He said, "Call up Mr. Spear." I called him up. I told him to wait a minute, Captain Hobson wanted to speak to him, and Captain Hobson said, "Spear, what did you want to see me about?" Then he listened for about four or five minutes, and then he spoke very emphatically; he said, "Mr. Spear, I appreciate your interest and all that, but not only do I not want you to help me in any way, but on the contrary, I want you to let the matter absolutely alone." He hoped to make that committee some time, if not this session, at another session. "But I want to make it on merit. I want absolutely no suggestion of influence from any outside source." Then they talked a little bit about how he was, and said he hoped to be out soon and that closed the conversation. Captain Hobson then sat down and said: "I have *known Spear* several years; it is a strange thing indeed to

me that he would make me a proposition like that." And that is about the substance of what I know about the two conversations; the one I had with him and the one Captain Hobson had with me.

Q. That is all you know about it in any way?—A. Yes, sir. I still did not know anything about what company Mr. Spear was with, and only found that out recently—just simply he told me it was a question of submarines.

Q. Have you discussed with anybody what your testimony should be and the facts you are willing to testify to here?—A. Yes, sir.

Q. Who with?—A. With Captain Hobson. After, I think, I sa an interview in the paper with Mr. Spear, I saw Captain Hobson the next day and I mentioned the interview that I had seen, and told him that if he thought best I would go on the stand and I would tell what I knew about it, and he suggested that I see Mr. Lilley's counsel. I then tried to find Mr. Lilley's counsel and could not find them, and then I saw Mr. Lilley and I told him just what I have told the committee.

Q. Why should you see Mr. Lilley's counsel? Did you know who the chairman of this committee was?—A. I supposed I knew. I think I had seen in the paper who it was. I saw Mr. Lilley's counsel at the suggestion of Captain Hobson.

Q. Whom did you see?—A. I did not see the counsel; I saw Mr. Lilley.

Q. Who did you undertake to see?—A. I went to Mr. Lilley's office and inquired if his counsel was still in the city, and the secretary was there and said they were not. Then I asked for Mr. Lilley, and he said he would be in in a few minutes. And I had this interview with Mr. Lilley, and the stenographer and the secretary were there, but I was talking with Mr. Lilley.

Q. Mr. Lilley wishes this question asked you: Were you present when Captain Hobson had a talk with Mr. Spear over the phone? What did Captain Hobson say?—A. Well, as I have stated, Captain Hobson asked him what he wanted to see him about, then when Mr. Spear—I presume he was on the other end of the phone—he listened there for some four or five minutes.

Q. In other words, you told Mr. Lilley what had transpired, and this question is based on information you gave him. You volunteered to Mr. Lilley this testimony that you are now giving?—A. Yes, sir.

Q. On the suggestion of Captain Hobson?—A. Yes, sir.

Q. You say you are familiar with Mr. Hobson's public manners, and he said he desired no outside influence exerted in behalf of his appointment on this committee?—A. That is the statement he made to Mr. Spear over the phone.

Q. I will ask you whether or not you know of any influence that was exerted by anybody in Mr. Hobson's behalf, or what Mr. Hobson did to procure this appointment on this committee?—A. As I recall it, he filed an application with the Speaker for the appointment. He also got the indorsement of the Alabama delegation, indorsing, I think, to Mr. Williams for appointment on this committee. I think that is everything he did.

Q. Do you remember when that was done?—A. I think the application to the Speaker was done last spring. I was not in Washington, but I talked to him about that later on and asked him what he

had done about getting on the committee, and he told me he had filed an application, as I remember. I am not positive on that, but I think he told me he had filed his application with the Speaker and that the Alabama delegation had indorsed him. I think he told me that at the same time. I think he told me at the same time that Mr. Bowers, of Mississippi, had suggested that he get the indorsement of the delegation.

Q. Mr. Bowers is a Member of Congress?—A. I understand he is.

Q. And that was told to you by Mr. Hobson last year?—A. It was told to me, I think, in May, when he was down in the trip through Alabama.

Q. Didn't he also tell you that he filed that application to the Speaker with the Speaker containing the indorsement of all the Alabama delegation except Mr. Craig?—A. No; I don't think he mentioned that.

Q. And that that was done about the 2d day of March?—A. No, he did not tell me definitely.

Q. He told you he did it while he was in Washington?—A. He told me he had done it.

Q. As a matter of fact, that Congress did not expire until the 4th of March, last year?—A. Yes, sir.

Q. He was in Washington before the Congress expired, after he was elected?—A. Yes, sir.

Q. And he filed that application with the Speaker of the House for appointment on the Naval Affairs Committee on the 2d day of March, 1907, before the Fifty-ninth Congress expired and before the Sixtieth Congress came into existence?—A. I do not know those facts except that he told me in May that he had filed his application.

Q. Did he tell you also that he filed and at the same time with the minority leader, Mr. Williams, in that Congress, an application for a recommendation to this committee?—A. My understanding was that he did file with Mr. Williams—of course that is about a conversation nearly a year ago—that he had filed with the Speaker an application for appointment to the committee, and that he had filed with Mr. Williams an application for recommendation for appointment, and had filed with Mr. Williams the indorsement of the Alabama delegation. I did not know that he had filed with the Speaker the indorsement of the Alabama delegation.

Q. I am not surprised you do not remember it. Captain Hobson, the other day, did not seem to remember it accurately himself. That is the fact, however; he filed the application and the paper that was signed by each member of the Alabama delegation except Craig.—A. Mr. Craig was not at that time in Washington. He was not a Member of Congress at that time.

Q. So that Mr. Hobson's application for membership on the committee was in the last Congress and was indorsed by the delegation from his own State?—A. I understand so.

Q. Did you hear Captain Hobson's testimony?—A. No.

Q. You were not here when he testified?—A. No.

Q. Do you know Mr. Spear, who was referred to in your testimony?—A. Yes; I know him.

Q. Can you identify him in the room?—A. The gentleman over in the corner.

Q. Did you hear Mr. Spear's testimony?—A. Yes, sir: I came up the day before and was here all Monday and all Tuesday, and when Mr. Spear concluded his testimony. I requested the chairman to let me go on the stand and testify regarding a part of Mr. Spear's testimony. I also made that request several other times.

Q. As a matter of fact, when Mr. Spear's testimony closed, or after it closed, the day had been pretty well spent and the committee took a recess then, didn't it?—A. I was not here—yes: I was here. They adjourned for lunch when Mr. Spear concluded his testimony.

Q. Is there anything else that you wish to say in contradiction of anything that Mr. Spear said in his testimony?—A. I think I have covered in my testimony everything that I can recollect at this minute.

Q. Everything that comes within your knowledge. Now, if you had been called immediately after Mr. Spear testified, would your testimony have been just what it is now?—A. Unless there is something I have forgotten. The things I have testified to now I would have testified to then.

Q. Can you think of anything else that you would have testified to concerning Mr. Spear's testimony?—A. No, sir; I do not believe I can.

The CHAIRMAN. Does any member of the committee desire to ask any questions? Is there any Member of the House present who desires to ask this witness any questions? Is there anyone else interested in the result of this inquiry, present either in person or by counsel, who wishes to submit any question to this witness?

(At this point Mr. Littleton passed a question to the committee.)

Representative BUTLER. Mr. Chairman, will you please have the stenographer read the notes of the testimony of the Secretary of the Navy this morning, in which he mentions my name?

The CHAIRMAN. We will complete the examination of this witness first.

Representative BUTLER. I would like to attend the session of the House, but at the same time I will attend to myself first.

The CHAIRMAN. We will complete the testimony of the witness on the stand. Mr. Howard will proceed with the examination of the witness.

By Mr. HOWARD:

Q. Mr. Hobson has sworn that he does not remember whether it was him or you that Mr. Spear said he [Mr. Hobson] would have to look out for Mr. Williams. You are sure that your recollection on the subject is better than Mr. Hobson's?—A. Well, my recollection is what I have stated. I do not know whether it is better than Captain Hobson's or not. My recollection of which I am positive, is that Mr. Spear asked me these questions. He says, "How does Captain Hobson stand with Mr. Williams?" I replied, as far as I knew they were very friendly, in fact I think I told him that there was some distant relationship between them. Mr. Spear replied, "That is good, because any influence that we have to bring would be through the Speaker." Then he went on to say that they could bring sufficient influence to land Captain Hobson on the committee.

Q. Were you ever present at any conversation or interview between Mr. Spear and Captain Hobson?—A. If the telephone conversation comes under the head of an interview I was present in Captain

Hobson's room, but the conversation was held with Mr. Spear over the telephone.

Q. Were you ever in the physical presence of both?—A. Yes, sir.

Q. At any interview relative to this matter?—A. No; not relative to that matter.

Q. About what?—A. The day that Captain Hobson and Mr. Spear had a conversation in the Capitol I think I came out of the Naval Committee room with Captain Hobson; it was about a month ago, and I talked with him while Captain Hobson went in the House; and when Captain Hobson returned I came on over to the House Office Building.

Q. You mean you withdrew from their presence?—A. As soon as Captain Hobson returned.

Q. You were out of hearing of any conversation that occurred between them?—A. Yes. Of course I heard him tell him he would be back in a few minutes, he had to see someone in the House, or something of that sort. Then when he returned I may have heard some casual remark to start the conversation, but I do not recall it.

Q. You do not recall anything that you heard that was any part of a conversation?—A. Except that I heard him say that he was going in the House to see some party, and when he returned I left. I simply stayed there to talk to Mr. Spear.

Q. I will put the question in the precise form it is submitted to me. Mr. Hobson is reported to have said in an interview printed in last evening's Washington Times that Mr. Spear made some overtures in the presence of "my secretary." Was there in fact anyone but yourself and Mr. Spear present in the conversation to which you have testified to?—A. The conversation in the Willard writing room; there was no one present except Mr. Spear and myself.

Q. Has Mr. Hobson ever spoken to you or in your presence concerning the merits of the so-called Berger submersive boat?—A. No; I have not ever heard him mention any boat except the boat, as I understand, made by the Holland boat people. He made a statement to me that they had a very good boat, and if they would employ the proper means and methods they would have no trouble about getting plenty of Government contracts, because they had a very good boat.

Q. What did that refer to?—A. That occured in a discussion of the Holland boat, as I understand. I asked him what kind of a boat that company made that the investigation was about. He said it was a very good boat.

Q. And they would have no difficulty——A. No difficulty in getting contracts if they employed proper methods.

Q. Did he enter into any description of what he considered proper methods?—A. No. I think he mentioned this instance, that we both knew of; that he considered it a very improper method.

Q. Do you mean what was said to him?—A. The remark to him to assist him to get on the committee.

Q. He did not think his being on the Naval Committee was to the best interest of the company getting the contract?—A. Well, sir; I don't understand that question.

Q. From what he said that he did not think their methods were proper, did he base that upon what was said to him, presumably by

Mr. Spear, and what Mr. Spear said to him was an offer to help him get on the Naval Committee?—A. Yes, sir.

Q. That, then, he thought was not the best method of getting Government contracts?—A. He said he did not think that was a good method.

Q. The question continues: "Or with respect to an appropriation by Congress for the construction of such a boat—that is, the Berger boat?"—A. No; I have never heard of that boat except I have seen or heard some mention of it in some of the testimony.

Q. Do you know whether he has advocated and procured an appropriation of about $400,000 in this year's naval bill for the Berger boat?—A. I don't know of any such appropriation or any effort on his part. There is some matter of a subsurface boat. Is that the Berger boat?

Q. I don't know.—A. I have talked with him about a subsurface boat.

Q. Then I will repeat the question. Has Mr. Hobson ever spoken to you or in your presence concerning the merits of the so-called Berger subsurface boat?—A. Yes, sir; I have heard him speak of that. He said he thought that they had a very good boat. That he was going, or had done so—gotten in some form in the naval appropriation, or was going to get it in, to give these boats a trial. I think they appropriated it, or his idea was to appropriate that when these boats were tried and made good.

Q. Do you know whether he has advocated and procured an appropriation for about $400,000 in this year's naval bill for the Berger boat?—A. That is covered in my statement.

Q. You do not answer that any more specifically.—A. I think he has procured some appropriation for a certain sum—I do not know how much—for the purpose of buying one of those boats, perhaps, after it has been tested and tried and proven—not outright, but an appropriation to them. That is my impression of what has been done.

The CHAIRMAN. If there are no other questions to be propounded to this witness, he may be excused.

The WITNESS. Was the question asked me a moment ago whether I had had any talks with Captain Hobson about the matter of my testifying?—I did have a talk with him I think yesterday on the car, and the substance of it was that I had told him about being up here and not having had a chance to testify, and saying or asking him if he thought it would be all right to make a statement of what was said to me. I said, "There has been some communication among some of the papers; there seems to be an inclination to make it appear that Captain Hobson had implicated the Speaker," and I said to Captain Hobson, "As a matter of fact your testimony exonerates the Speaker; that you did so completely and emphatically turn down this offer, and still you were appointed on the committee, and you in fact exonerated the Speaker." He said he did not see any necessity for that. The testimony stood for what it was. There was no implication in it.

Mr. BUTLER. I now renew my request that the notes of the testimony of the Secretary of the Navy may be read in my presence, that I may know in what connection he used my name.

The CHAIRMAN. Without objection, the stenographer will read the testimony.

(The testimony was read as follows:)

Q. Is there any further statement you would like to make, Mr. Secretary?—A. I think possibly I made a mistake in saying that Mr. Butler called at the Department in reference to this and Mr. Sherman. I think Mr. Sherman was at the Department at the time Mr. Loudenslager was there, and he came in while Mr. Loudenslager was in my office. I do not think it was in connection with this matter at all, that is my recollection.

Q. In any event it was not until after the contract was made?—A. Not until some time after the contract was made.

Mr. BUTLER. I will ask the stenographer to read the part of the notes in which my name is used in connection with the call made, with others, upon the Secretary of the Navy, in reference to these bids and contracts for these boats.

(The testimony was read, as follows:)

Q. Do you remember whether or not at any time any Member of Congress called upon you either in favor of or in opposition to the letting of the contract to the Lake Boat Company?—A. Yes. They called upon me in regard, not as to the letting of the contracts, but as to the opinion of the Attorney-General, and the question of the discretion that was vested in me under the act.

Q. Who called upon you with reference to that?—A. Representative Butler, I think; Representative Roberts, Representative Loudenslager, Representative Sherman, and before the contract was finally signed between the Department and the Lake Torpedo Boat Company, Representative Lilley called at the Department, Senator Bulkeley, Senator Brandegee, and I am not positive whether Representative Hill was with them or not. I think he was. I think possibly Representative Sperry called at the same time. I might say that at the time Representatives Butler and Roberts and Sherman and Loudenslager called, it was after the awarding of the contract to the Electric Boat Company, but not before.

Q. The others called before the contract was let?—A. Just before the contract.

Q. In the interest of what?—A. They called and asked me, my recollection is, about the action, and I told them what I had done and what I proposed to do so far as the Lake Boat Company was concerned. There were no suggestions made by them to me in any way. They simply felt it was in the interest of the Government to have two companies building these boats, so as to do away with a monopoly in submarine boats in the United States.

Q. They thought it was to the interest of the Government to have two companies making boats?—A. Yes.

Q. And those gentlemen were the ones you have named. Won't you name them again?—A. Of course, this is purely recollection. I think Senators Bulkeley and Brandegee, and Representatives Lilley, Hill, and Sperry called together.

Q. In the interest of the Lake Boat Company?—A. I am not prepared to say whether they called in the interest of any company at all. Do not misunderstand me. I do not mean to say that they were interested in it. They asked me what action the Department had taken or was going to take.

Q. They desired the action taken that you did take?—A. That was for them to say and not me.

Q. What did they say to you?—A. It is very hard to recollect everything. There was very little said at the time. They asked me what action the Department had taken or was going to take, and I told them.

Q. They did not oppose the letting of the contract to the Lake Boat Company?—A. No; they thought that was decidedly for the best interests of the Government.

Mr. BUTLER. Mr. Chairman, I would now like to have the extract which was first read read again.

(The stenographer read as follows:)

Q. Is there any further statement you would like to make, Mr. Secretary?—A. I think possibly I made a mistake in saying that Mr. Butler called at the Department in reference to this and Mr. Sherman. I think Mr. Sherman was at the Department at the time Mr. Loudenslager was there, and he came in while Mr. Loudenslager was in my office. I do not think it was in connection with the matter at all; that is my recollection.

Q. In any event it was not until after the contract was made?—A. Not until some time after the contract was made.

Mr. BUTLER. Mr. Chairman, I have a positive recollection——

The CHAIRMAN. Will you take the stand and have your testimony incorporated in this record?

Mr. BUTLER. I will be glad to do so.

The CHAIRMAN. Do you wish to be sworn?

Mr. BUTLER. I will affirm; I will not swear.

STATEMENT OF HON. THOMAS S. BUTLER, A REPRESENTATIVE IN CONGRESS.

THOMAS S. BUTLER, having duly affirmed that he would tell the truth, the whole truth, and nothing but the truth, on being examined testified as follows:

The WITNESS. I never talked to Secretary Metcalf or to any other Secretary relative to the construction of any kind of a boat. I want that to be as plain as it can be put down. I never was in the Department at any time, in any Department, with Mr. Roberts. I have no objection to going with Mr. Roberts wherever he wants me to go. I never was at any time nor upon any occasion in any Department with Mr. Sherman. I have no objection to keeping company with Mr. Sherman, but I state that as a fact. I was never in any Department of this Government, except the legislative department, with Mr. Loudenslager, except once, about ten days ago, when he and I stopped at the office of the Secretary of the Navy and asked him to do League Island the justice of completing the *New Hampshire*, that is being built at Camden. The subject of boats was never spoken of in that conversation. Have you any questions to ask me?

The CHAIRMAN. I think none, and the committee is very glad——

The WITNESS. I will volunteer this, that I did not know that the Secretary of the Navy had let a contract for any of the torpedo boats, except that I have seen the advertising sent to me by the different boat companies. And I would like to say with emphasis that I did not know that the Department of Justice had been asked for an opinion at the time that we were there. Therefore I could not have said anything about it. I do not know anything about these boat contracts, and I do not propose that the Secretary of the Navy nor anybody else shall put my name in connection with this matter.

By Mr. HOWARD:

Q. How did you hear about that?—A. A correspondent of the New York Sun told me that he had put my name in here as visiting Departments relative to these torpedo boats. Two or three people spoke of it.

The CHAIRMAN. The committee will now undertake to conclude the evidence, if possible, this afternoon relating to the matter testified to by Mr. Hobson and Mr. Spear and Mr. Clarkson, and with that end in view will call Representative Clayton, of Alabama.

STATEMENT OF HON. HENRY D. CLAYTON, A REPRESENTATIVE IN CONGRESS.

HENRY D. CLAYTON, being first duly sworn, on being examined testified as follows:

The CHAIRMAN. Mr. Howard, will you conduct the examination?

By Mr. HOWARD:

Q. You are a Member of Congress?—A. Yes, sir.

Q. From Alabama?—A. Yes, sir.

Q. How long service have you had?—A. I was elected in November, 1896, and have been continuously here ever since.

Q. Did you have anything to do with the indorsement of Mr. Hobson for appointment to the Naval Committee?—A. Yes, sir. If you will pass me that paper, I think I can identify it; I looked at it just now.

On or about March 2, 1907, Mr. Hobson or some member of the Alabama House delegation presented me with the paper, which is in the following words:

HOUSE OF REPRESENTATIVES UNITED STATES,
Washington, D. C., March 2, 1907.

The SPEAKER HOUSE OF REPRESENTATIVES,
Washington.

SIR: Referring to committee assignments for the Sixtieth Congress, I have the honor to request to be appointed on the Committee on Naval Affairs, where my eighteen years' service in the Navy could be put to the best advantage.

Very respectfully,

R. P. HOBSON,
Member-elect Sixth Alabama District.

Under that writing of Mr. Hobson's is this indorsement:

We, the members of the Alabama delegation, wish to indorse the above application.

J. THOMAS HEFLIN,
Fifth Alabama District.
H. D. CLAYTON,
Third Alabama District.
JOHN L. BURNETT,
Seventh Alabama District.
O. W. UNDERWOOD,
Ninth Alabama District.
GEO. W. TAYLOR,
J. H. BANKHEAD,
A. A. WILEY,
Second Alabama District.

At that time Mr. Hobson had been elected as the successor of Mr. Bankhead, and Mr. Bankhead joined in the indorsement. Mr. Craig, the other member-elect at that time to the Sixtieth Congress, was not in Washington, and hence he did not join in this indorsement.

Q. Do you notice the date of that?—A. It was dated March 2, 1907.

Q. That was what time in the Fifty-ninth Congress?—A. That was just a few days before its final adjournment. It adjourned at 12 o'clock noon on the 4th of March.

Q. Is the body of that letter an autograph letter?—A. Yes, sir.

Q. Do you know the handwriting?—A. I think I do.

Q. Are you familiar with the handwriting?—A. Yes; I think I am sufficiently familiar with his handwriting to identify it.

Q. Do you know whose handwriting it is?—A. From my knowledge of his writing, I identify this as being the writing of Captain Hobson himself, both the March 2, and the figure 7 in the date line, and the words beginning with "The Speaker," down to the end of the indorsement, "we, the members of the Alabama delegation wish to indorse the above application," the whole of it down to and including the word "application" is in the handwriting of Captain

Hobson. Of course the signatures of his colleagues are in their own handwriting. The date line, except "March 2" and the figure "7" indicating the year, is a part of the printed letter head.

Q. You say that from your knowledge of their handwriting?—A. Yes; I am familiar with the handwriting of my colleagues. We have frequent occasion to join in communications and in other writings.

Q. Mr. Clayton, did you ever sign any similar application to that addressed by Mr. Hobson to Mr. Williams?—A. Mr. Howard, I am not positive on that. I have a recollection that I did join in some sort of a recommendation to Mr. Williams in behalf of Captain Hobson for the assignment to the Naval Committee.

Q. Do you remember when?—A. About the same time. And I know that Captain Hobson was very friendly to Mr. Williams, very friendly. As you know, we had a little threat of a party quarrel on hand at about that time, and it was pretty well understood who was friendly and who was not friendly to Williams, and I know Mr. Hobson was very friendly to him, because he and all the Alabama Members-elect to the Sixtieth Congress joined in a note to Mr. Williams requesting him to stand for reelection as our minority leader.

Q. Did not that occur just before the Fifty-ninth Congress came to an end?—A. That occurred just before the Fifty-ninth Congress adjourned. Then I can say, furthermore, Mr. Howard, that I was present, by Mr. Williams's invitation, in December last, soon after the convening of the Sixtieth Congress, out at his residence, and there were several other Members of Congress, his friends, there. He invited me to come out, and these other gentlemen, for the purpose of conferring about his recommendations for committee assignments. And the matter was discussed there at length. The claims and the suitability of various Democrats were discussed in regard to the matter of committee assignments. Among others, Captain Hobson was discussed, and my recollection is that Mr. Williams had one or two letters there, individual letters from members of the Alabama delegation, asking him to appoint Captain Hobson to this place on the Naval Committee, or to recommend him, rather, for it; and I know at that meeting I also advised Mr. Williams to do so.

Q. To do what?—A. To recommend Captain Hobson for this appointment, for the reason, as we discussed his naval training and his experience in naval construction, he had been educated at Annapolis and had had practical experience in the Navy, that perhaps he could best serve the public interests by serving on this committee. And then I had a very high regard for his personal attainments and a very high regard for him as a man, and Mr. Williams entertained the same opinion of him, and at that conference Mr. Williams announced that it was his purpose to recommend Mr. Hobson to the Speaker for an assignment to the Naval Committee.

Q. Do you recall that in considering other applications for appointment to the Naval Committee Mr. Williams decided on only one man?—A. Yes; that is true. He decided on only one new man, and that was Captain Hobson. The others were left open for future consideration. And I am clear, too, about another thing, because Mr. Hobson was my colleague, and I was gratified that our side should be so well treated, and I recall distinctly that he was one of the first men that he seemed to have decided on definitely, by that assignment of the new Members of Congress. Of course we had gone over pretty

well what he was going to do with most of the men, except some who were very insistent upon promotion, but as to a great many of them he had practically settled it. That developed in the discussion, and I am not sure but that Mr. Hobson was the first new man that, in that conversation, he announced his definite purpose to give him what he wanted—that is, this assignment to the Naval Committee.

The CHAIRMAN. Unless some one has some questions to propose, I think this matter can be made quite clear in connection with the testimony of Mr. Busbey, and I now ask Mr. Busbey to take the stand.

TESTIMONY OF MR. L. W. BUSBEY.

L. W. BUSBEY, being first duly sworn, on being examined testified as follows:

The CHAIRMAN. Mr. Olmsted. will you propound the questions?

By Mr. OLMSTED:

Q. Where do you reside?—A. Washington.

Q. Is this your voting place?—A. Illinois is my voting place.

Q. State what relation, if any, you sustain to the Speaker of the House of Representatives.—A. The position of secretary to the Speaker.

Q. State whether or not you have custody of the applications for committee assignment in the Sixtieth Congress.—A. I have, jointly, with Mr. Hines. The applications are sent to the Speaker, all the Speaker's mail is opened by myself. Where there are applications for committees, I hand them over to Mr. Hines, and they are filed in the manner as represented in this book.

Q. You have the book here?—A. Yes, sir; the book of the Sixtieth Congress.

Q. The book of all applications?—A. The book of all applications and recommendations that came to Mr. Cannon.

Q. State what applications or recommendations, if any, were received by the Speaker for the appointment of Captain Hobson on the Naval Committee in the Sixtieth Congress. What is the book you now have?—A. This is an alphabetical list of all the Members, giving the applications, giving first the name, district, party politics, previous service, and committee assignments in previous Congresses, applications for committee assignments, recommendations, and indorsements. It is arranged alphabetically.

Q. Will you turn to the name of Captain Hobson and see what reference is there made to him?—A. Captain Hobson's name is on page 205.

Q. Read whatever occurs on that page relating to Captain Hobson.—A. Name, Hobson; assignment, not marked; State, Alabama; party, Democrat; previous service, none; committee in Fifty-ninth Congress or last Congress in which the Member served, none; place asked in the Sixtieth Congress, Naval Affairs.

Page 167 of the other book, record, remarks, indorsement. Indorsed by entire Alabama delegation for Naval Affairs.

C. A. Huttig, of Third National Bank, St. Louis, recommends for levees and improvements of the Mississippi. Page 442. The page closes with the autobiography of Mr. Hobson as printed in the Congressional Directory.

Q. If any one else ever made any application in behalf of Captain Hobson, it would appear in that index?—A. Certainly, if it was made to the Speaker.

Q. Will you refer to the other book?—A. Page 167.

Q. Let us know what occurs on page 167.—A. The first is Mr. Hines's mark showing that the letter was delivered to him.

Q. Who is Mr. Hines?—A. Mr. Hines is the clerk of the Speaker's table.

Then—

HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., March 2, 1907.

The SPEAKER, HOUSE OF REPRESENTATIVES,
Washington.

SIR: Referring to committee assignments for the Sixtieth Congress I have the honor to request to be appointed on the Committee on Naval Affairs, where my eighteen years' service in the Navy could be put to the best advantage.

Very respectfully,

R. P. HOBSON,
Member-elect, Sixth Alabama District.

We, the members of the Alabama delegation, wish to indorse the above application.

J. THOMAS HEFLIN,
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Seventh Alabama District.
O. W. UNDERWOOD,
Ninth Alabama District.
GEO. W. TAYLOR.
J. H. BANKHEAD.
A. A. WILEY,
Second Alabama District.

Q. Is that all?—A. That is all.

Q. You have reference to the entire page?—A. That is in reference to naval affairs.

Q. There was a letter, page 452, of C. A. Huttig, president Third National Bank, St. Louis:

THIRD NATIONAL BANK,
St. Louis, November 26, 1907.

Congressman JOSEPH CANNON,
Washington, D. C.

MY DEAR MR. CANNON: My personal friend, Mr. R. P. Hobson, who accompanied us on the Presidential trip down the Mississippi River, is very much interested in the subject of river improvements and would do good work on the Rivers and Harbors Committee. In my talk with him I have found him clear-headed, logical, and of excellent judgment, and I sincerely hope you can see your way clear to appoint him on this important committee.

You will no doubt remember me in connection with Log Cabin days. We also met at Mr. McKinley's St. Louis dinner some months ago.

Very truly, yours, C. A. HUTTIG.

I will ask you, not including Mr. Williams, with the exception of Mr. Williams, was there any other request whatever made to the Speaker for the appointment of Mr. Hobson on the naval committee?—A. I can say not in writing.

Q. Or in any other way, so far as you know?—A. Not in any way, so far as I know.

Q. Have you ever heard the Speaker say whether there was or not?—A. I have not. The Speaker as a rule refers all members of the minority to the minority leader for committee assignments,

and I would say that even this application—these applications here were incorporated because we incorporate everything we receive. I do not think the Speaker ever paid any attention to this, because he had referred the minority assignments to the minority leader.

Q. What is meant by minority leader?—A. I refer personally to Mr. John Sharp Williams, who was selected in the Democratic caucus as their candidate for Speaker, and for that reason became the leader of that party on the floor of the House.

Q. Then the assignment of Democrats to places on committees was made by Mr. Williams?—A. Yes, sir.

Q. Have you any list of his assignments or any papers showing his recommendation of Mr. Hobson?—A. I do not know that I have. Mr. Williams's assignments were delivered to the Speaker the night before they were announced. They were delivered by his secretary. I find this: "The following is an alphabetical list of Democratic members on Democratic assignments recommended by me. Yours, truly, J. S. Williams." That is an alphabetical list, and made out by Mr. Williams, and I find on page 8 of this list, "Hobson, Naval Affairs."

Q. That is the list submitted by Mr. Williams to the Speaker as the selection of Democratic Members for places on committees?—A. Yes, sir. Mr. Williams's list in the committee form was mutilated in using the copy for the printer.

Q. But Mr. Hobson's name was on that?—A. Mr. Hobson's name was on that.

Q. And on Mr. Williams's recommendation Mr. Hobson was appointed a member of the Committee on Naval Affairs in the Sixtieth Congress?—A. He was.

Q. Do you know of any other reason whatever moving the Speaker to appoint him?—A. I know of no other reason. I never heard any discussion of that kind. I know that when these lists of Mr. Williams were delivered to Mr. Cannon that he glanced over the list very hurriedly, and handed them to Mr. Hines or myself, remarking that the remainder of the work was with us.

Q. That was the night before they were announced?—A. That was about 10 o'clock the night before they were announced. I was under the impression that was the 18th of December. I notice the piece of paper here from Mr. Williams is dated the 17th. Possibly it was the 17th.

Q. The Speaker gave you a list of the Republican members?—A. The Speaker handed us a list of the Republican Members and then handed us the list handed to him by Mr. Williams's secretary as the list of Democratic members.

Q. And told you to do the rest?—A. Yes, sir.

Q. You and Mr. Hines?—A. We prepared the copy for the printer, combining the two lists, to get the committee lists in their proper form, and it was necessary to cut up the copy into takes, as the printers call it, and put the Republican list of the Naval Committee and the Democratic list of the Naval Committee together, so that the printers would combine them in proper form.

Q. And from that list which you then prepared from the Speaker's list of Republicans and Mr. Williams's list of Democrats you made up the whole list of committees and had that printed?—A. Yes, sir.

Q. And that was the list that the Speaker announced to Congress?—A. That was the list that the Speaker announced to Congress the next day, and it was read. That list was read, I think, from one of the printed copies that was distributed to the Members.

Q. From the list you and Mr. Hines prepared?—A. Yes, sir.

Q. Did the Speaker, do you recollect, change any of Mr. Williams's assignments?—A. Yes, sir; he changed one assignment.

Q. Was that on the Committee on Naval Affairs?—A. No.

Q. Then, with that one exception——A. With that one exception Mr. Williams's list went to the printer as prepared by him.

Q. Then one committee assignment of the Democrats, and one only, as recommended by Mr. Williams, was changed by the Speaker, and that was not in the Committee on Naval Affairs?—A. It was not on Naval Affairs. It would not be entirely proper, perhaps, to say only one, because in the transfer there are the names of two Members.

Q. But in making that one change——A. Yes.

Q. There was only one change made?—A. Yes.

Q. Neither of them have any reference to the Naval Affairs Committee?—A. Neither of them have any reference to the Naval Affairs Committee.

Q. Or to Captain Hobson?—A. No; nor to Captain Hobson.

Q. You stated that there was no other recommendation of Mr. Hobson in writing, and I suppose you knew there was no other recommendation?—A. I know of no other recommendation.

Q. I ask you whether you have ever heard the Speaker say whether there was any other recommendation or not?—A. I heard the Speaker say yesterday that he never heard of any other recommendation; that he had considered nothing, except he had left that matter entirely to Mr. Williams.

Q. And had received no other recommendation?—A. Had received no other recommendation from any source except the Alabama delegation.

The CHAIRMAN. When Mr. C. S. McNeir was on the stand he was asked to furnish a comparative statement showing the prices that were paid the Electric Boat Company and the Lake Torpedo Boat Company under the last contract, and in accordance with the request made upon him when he was on the stand he has furnished such a comparative statement, which the stenographer will insert in the record.

(The statement referred to is as follows:)

WASHINGTON, D. C., *March 18. 1908.*

Hon. HENRY S. BOUTELL,
Chairman Select Committee
Under House Resolution No. 288,
House of Representatives.

SIR: In compliance with the committee's request that I furnish it a comparative statement showing the prices to be paid the Lake Torpedo Boat Company and the Electric Boat Company under the latest contracts, I have the honor to submit the following:

The contract with the Lake Torpedo Boat Company is dated February 4, 1908, and the contract price for that vessel is $450,000. The contract with the Electric Boat Company for submarine torpedo

boat No. 19 is dated November 23, 1907, and the contract price for that vessel is $360,000.

These contract prices will only be received by the companies in case the boats on their official trials fulfill the maximum guaranties in the contracts with respect to speeds and other qualities, but provision is made in each contract whereby, in case of failure to attain the maximum guaranties, the vessels may be accepted at reduced prices in accordance with the schedule of penalties set forth in the contract, provided, however, that the performance on trial does not fall below a set of minimum guaranties also contained in the contract.

The following table shows the maximum and minimum guaranties together with the stipulated penalty in each case:

No.	Item.	Maximum guaranty.		Minimum guaranty.		Penalties, both companies.
		Electric Boat Co.	Lake Torpedo Boat Co.	Electric Boat Co.	Lake Torpedo Boat Co.	
1	Surface speed	13 knots	14 knots	12½ knots	12½ knots	$10,000 per knot.
2	Fuel endurance, full speed surface.	60 hours	70 hours	50 hours	60 hours	$500 an hour.
3	Submerged speed	9½ knots	9½ knots	9 knots	9 knots	$15,000 a knot.
4	3-hour speed submerged	8 knots	8 knots	7½ knots	7½ knots	$15,000 a knot.
5	Time to submerge from full speed on surface to full speed submerged.	6 minutes.	6 minutes	8 minutes.	8 minutes	$500 a minute.
6	Reversing screws	10 seconds	10 seconds	15 seconds	15 seconds	$100 a second.
7	Metacentric height submerged.	13 inches	15 inches	10 inches	10 inches	$1,000 an inch.

Now, let us assume that the vessels make identical performance on trial and that both equal or exceed their minimum guaranties. It follows, then, that the difference in price to be paid by the Government will be represented by the excess guaranties of the Lake Company in terms of the penalty rate; that is, as follows:

1 knot surface speed, at $10,000 a knot	$10,000
10 hours surface endurance, at $500 an hour	5,000
2 inches metacentric height, at $1,000	2,000
Total	17,000

The excess contract price for the Lake boat is $90,000, which, less the above sum for penalties, becomes $73,000, which is the additional sum which will be received by the Lake Company under its contract over the amount received by the Electric Boat Company in the case of equality of performance.

It is proper for me to add that the contracts are identical as to trial provisions and as to general guaranties to which no specific penalty is attached.

The official records of the Navy Department show that every vessel built by the Electric Boat Company has, upon its official trials, exceeded its maximum contract guaranties. As the Lake Company has never built a vessel for the United States, no such record exists. It is a fact, however, that the Lake vessels built for the Russian Government showed a serious failure to attain their guaranteed speeds. Moreover, the vessel submitted to the competitive trials at Newport in May last was, as stated by the Secretary of the Navy, practically identical with one of the vessels bid upon by the Lake Company at that time. The official records of the trials show that the actual speeds,

etc., attained by the *Lake* on trial were very much below the guaranties for that size of vessel. The figures are as follows:

	Knots.
Surface speed under engines, guaranteed	9¼
Actual trial speed	7.59
Submerged speed under motors, guaranteed	6¼
Actual trial speed	5.65

Moreover, this latter speed was not successfully maintained, the boat being beyond the control of the operator, which was evident from the fact that during the trial the vessel broached on the surface 18 times.

A similar state of affairs is revealed in the case of the *Protector*, the first vessel built by the Lake Company, for which, in a hearing before the Naval Committee, the Lake Company claimed a surface speed of 10 to 11 knots and a submerged speed of 7 knots. The actual speeds over a measured course, as taken by the Lake Company itself and officially reported to the Navy Department, were 7½ knots on the surface and 3.8 knots submerged.

Very respectfully,

C. S. McNeir.

The Chairman. Mr. Lilley has filed with the committee, dated March 19, 1908, directed to the chairman, a typewritten statement of some 23 pages, incorporating with it clippings from various journals in reference to the value of torpedo boats and torpedo-boat tests, which will be filed in full and made a part of the record.

(The statement referred to is as follows:)

House of Representatives,
Washington, D. C., March 19, 1908.

Mr. Chairman: Your committee has, I confess, somewhat to my surprise, permitted witnesses—both those who could by reason of expert knowledge know something of the construction, qualities, and cost of our present submarines and also those who could have no possible expert or other knowledge as to the construction, performances, efficiency, and cost of these submarines—to give as part of their supposed testimony glowing accounts of the remarkable qualities of the Electric Boat Company's submarines; and having thus established the precedent, and in order that the question of the cost and efficiency of these boats may be presented on both sides, I submit the following, consisting of:

First. Extracts from the testimony of distinguished naval officers as to the cost of these boats, value of patents, etc., all of which testimony is of record in House documents therein referred to.

Second. A number of clippings from leading journals of the country setting forth in more or less detail the failure of the present submarines of the United States Navy in their experimental and other performances, which indicate that they are of but little practical value as defensive or offensive weapons as against any skillfully directed attack of a hostile fleet. It would appear as if the continuing failures of the present type of submarines in actual tests of efficiency is a complete answer to the somewhat ornamental and oratorical exploitation of them by the expert and nonexpert witnesses who thus appeared before your committee.

The newspaper clippings contained in the attached presentation are as follows: Army and Navy Register, March 14, 1908; New York Herald, June 5, 1907; Army and Navy Journal, March 14,

1908; Newport News Press, April 22, 1906; Newport News Press, May 4, 1906; New York World; Army and Navy Journal, October 26, 1907; New York Herald, February 22, 1908; Chicago Examiner, November 15, 1906; New York Sun, February 2, 7, 11, and 20, 1908; Army and Navy Journal, January 20, 1906; also House resolution No. 264.

Respectfully, GEO. L. LILLEY.

Hon. H. S. BOUTELL,
Chairman Special Committee, House of Representatives.

HEARINGS BEFORE THE HOUSE NAVAL COMMITTEE JANUARY, 1901—HOLLAND SUBMARINE BOATS.

(Page No. 38, notation No. 1:)

"Admiral O'NEIL. Congress already having authorized eight boats of the *Holland* type, at a total cost of about $1,360,000 ($170,000 each), may be said to have fulfilled all its obligations in this respect, and to have dealt liberally with the Holland Torpedo Boat Company, and has by its action afforded the Department ample means for experiment with boats of this particular type."

(Page No. 48, notation No. 2:)

"The CHAIRMAN. What is the cost of one of these boats?

"Admiral O'NEIL. I should think that from $75,000 to $100,000 would be a liberal sum."

(Page No. 53, notation No. 3:)

"Mr. HAWLEY. What is the cost of the French boats?

"Admiral O'NEIL. About $116,000 apiece, I believe.

"Mr. HAWLEY. Are they not paying as much as $150,000?

"Admiral O'NEIL. I think perhaps they are for one or two of their largest boats.

"Mr. HAWLEY. They have one 185 feet long?

"Admiral O'NEIL. I do not remember the cost of that.

"Mr. DAYTON. What is the size of the *Holland?*

"Admiral O'NEIL. Fifty-four feet long.

"Mr. DAYTON. How much longer do they propose to make the new ones?

"Admiral O'NEIL. They are to be 80 feet long, I think.

"Mr. HAWLEY. What size do they propose to make the new boats?

"Admiral O'NEIL. The present boat is 54 feet long, and the new boat is to be 63 feet long. I was mistaken when I said 80 feet. They are to be 11 feet in diameter and 120 tons displacement under water and 104 tons when on the surface.

"Mr. DAYTON. This French boat that you spoke about that costs $150,000, what is its size?

"Admiral O'NEIL. I do not remember.

"Mr. HAWLEY. One hundred and eighty-five feet.

"Mr. DAYTON. Is there any reason why we should pay $170,000 for a torpedo boat 63 feet long, when the French get a boat 185 feet long for $150,000?

"Admiral O'NEIL. As I have said, it depends upon whether you consider the cost of the boat alone or consider the amount of money spent for its development and what you consider the device worth as a military device."

(Page No. 57, notation No. 4:)

"Mr. KITCHIN. From your estimate of the cost, it seems to me that the Government ought to get these boats at $100,000 apiece.

"Admiral O'NEIL. That probably would be disputed by the company, but from my own observation, I think that would be a very liberal price for the *Holland* or the new Hollands."

REAR-ADMIRAL MELVILLE, CHIEF OF THE BUREAU OF STEAM ENGINEERING.

(Page 66, notation No. 5:)

"The CHAIRMAN. What, in your judgment, is the probable cost of the manufacture of a Holland boat?

"Admiral MELVILLE. Between $50,000 and $70,000; $50,000 for the lowest limit, and $70,000 for the highest. I have been calculating upon machinery for the last forty-five years—ships, hulls, and so forth."

(Page 3, notation 6, continued on page 12:)

"The CHAIRMAN. Will you kindly give your name in full?

"Mr. CREECY. Charles E. Creecy, Washington, D. C.

"The CHAIRMAN. Kindly state your business.

"Mr. CREECY. I am a lawyer by occupation. I have been connected with the Holland Torpedo Boat Company ever since some eight or ten years ago, and am thoroughly

familiar with the history of it—all of its tribulations and trials—and I think I can answer intelligently any question that you gentlemen may desire to ask me on that subject.

"The CHAIRMAN. Are you the attorney for the company, Mr. Creecy?

"Mr. CREECY. I am the representative of the company in Washington to look after their interests in the Departments and in Congress. I had so much faith in this boat that I have gone on the company's bond to the extent of $60,000. I am a stockholder in the company, and have been connected with it as stockholder and as its represent ative, as I have told you, since its inception."

(See also page 12:)

"In assessing the value of such rights said board shall take into consideration not only the value of the property, but also the fact that the United States shall have afforded facilities for the development of the inventions covered by such rights by the appropriation of money to build the *Plunger*."

HEARINGS BEFORE THE HOUSE NAVAL COMMITTEE ON SUBMARINE BOATS, 1902.

(Document No. 123, page 1, notation 7:)

"Admiral O'NEIL. I know of no reason for changing the opinions expressed by me before this committee on January 15, 1901, with reference to submarine torpedo boats of the *Holland* type."

(Document No. 123, Melville, page 13, May 26, 1902, on fair cost of Hollands.)

(Document No. 123, Melville, page 22, notation No. 9:)

"Mr. DAYTON. Now, Admiral, you stated in your hearing before the committee last year that in your judgment the actual cost of a vessel of this kind would not exceed $50,000 to $70,000.

"Rear-Admiral MELVILLE. No, sir; that was my estimate for the *Holland*—the boat completed. The boats which are in course of construction are larger, and have a greater storage battery, and would naturally cost more money."

(Doc. No. 123, Melville, pages 29 to 32:)

"Mr. RIXEY. You said a moment ago, in regard to the cost of this Holland boat, that you considered $70,000 as a reasonable cost for it.

"Rear-Admiral MELVILLE. Yes, sir; that was the maximum amount that I estimated as the cost of conrtructing the *Holland*—that is, the submarine boat which we now possess. I said that the new boats would cost more, as they had more displacement and greater storage.

"Mr. RIXEY. Did that include what ought to be allowed for the use of the patents?

"Rear-Admiral MELVILLE. No, sir. I attach very little value to the patents.

"Mr. RIXEY. What amount do you consider ought to be allowed for the use of the patents?

"Rear-Admiral MELVILLE. In my opinion they do not possess a patent that is of substantial value. The boat is filled with commercial auxiliaries. As for the storage battery, there are quite a number in use, and I hardly believe that you could get an electrical expert who would state that any one type of battery is of such efficiency that it can be sold for an excessive amount.

"They may have a patent on the arrangement of their submerging tanks, and their claims may be allowed as to several arrangements of mechanical movements.

"I do not encourage infringement of valuable patents, but there is often more than one way of securing mechanical results. For this reason I believe it will be possible for a shipbuilder to contract for a boat of the Holland principle without his being compelled eventually to pay royalty of any kind. There is no doubt but that the Holland people believe that they have valuable patents; otherwise the company would not have been formed. As I have been asked my opinion of the value of these patents, I give an opinion that has been formed after considerable careful study.

"Mr. RIXEY. Suppose that these patents would be valid, what ought to be allowed for the use of the patent in the building of each boat?

"Rear-Admiral MELVILLE. I do not know. If the Lake boat should prove to be the superior after competitive test, the patents could not have much commercial value.

"Mr. RIXEY. What would be a reasonable compensation?

"Rear-Admiral MELVILLE. Practically nothing from my standpoint. I recognize the fact, however, that they have some market value, particularly after the boat has been favorably indorsed by conscientious and distinguished naval officers.

"Mr. RIXEY. On the question of a consideration of the use of the patents, I want to ask you this: If this is a valuable invention and the patents are probably owned by this company, do you mean to state that they ought to have nothing for the use of their patents?

"Rear-Admiral MELVILLE. I hardly think I said that. I stated that I did not attach any value to them. Holding the view that I do, it is not probable that I would be

asked officially for any opinion upon the matter. This will be a matter for the Secretary of the Navy or the courts to determine.

"Mr. RIXEY. I understand; but suppose they are valuable patents? You are talking about the value of the boat as it stands, the cost of the boat, outside of the question of its use. You stated that $70,000 was a fair price for the boat. Now, I want to know if that included the patents. You said "No."

"Rear-Admiral MELVILLE. It was the *Holland* that I referred to as costing $70,000; the new boats being larger, should cost $90,000. This does not take into consideration at all any royalties that might be due to the Holland Company. My estimation is based upon what I believe is their proper cost.

"Mr. RIXEY. If the boat is of no account, you would not want to pay $70,000 for it; but if it is a valuable boat, what would you include in the price of the boat for the use of the patents?

"Rear-Admiral MELVILLE. I believe that 50 per cent profit over the cost of construction should compensate the company adequately. This sum would include profits as well as pay for the use of the patents. The patents would have to be valuable for the company to ask such profits. For profits alone I would not allow over 25 per cent increase.

"Mr. RIXEY. That would be profit, but would that be compensation for the patents? You take the ordinary contractor who builds a battle ship, and you expect him to make 25 per cent on the cost of the ship, do you not?

"Rear-Admiral MELVILLE. It may be that some of them make that profit. I am quite sure that all of them do not. I can only approximate as to what profit shipbuilding firms make.

"Mr. RIXEY. That does not pay the contractors for any patents.

"Rear-Admiral MELVILLE. No; but he has a plant that has cost him several million dollars, and he takes risks in putting such a large amount of capital in the business.

"Mr. RIXEY. That is profit upon his investment, but it is not for the patents.

"Rear-Admiral MELVILLE. Last year there were firms in this country who were capable of building battle ships who did not do so. The president of one shipbuilding firm told me that he was very indifferent about securing a contract for war ships. He could not have believed that there were such large profits in the work. If there is 25 per cent profit in the business, why is not the competition keener?

"Mr. RIXEY. Suppose a battle ship were invented, protected by patents, you would have to pay something in addition for those patents, and my idea was simply to get at what the Holland boat ought to cost complete.

"Rear-Admiral MELVILLE. I agree with you, Mr. Rixey, that if the patent rights are worth anything they should be paid for.

"Mr. RIXEY. What would be a reasonable compensation for them?

"Rear-Admiral MELVILLE. I will have to go back to what I said before. Personally I attach no value to them. There is a special law whereby inventors of military appliances can be reimbursed for the use of their patents."

STATEMENT OF REAR-ADMIRAL F. T. BOWLES.

(No. 123—Bowles. Notation No. 11, page 4:)

"The CHAIRMAN. I would like to ask you, Admiral, if you have made any investigation as to the cost of these boats?

"Admiral BOWLES. Yes. I have gone carefully into the matter of the cost of these boats.

"The CHAIRMAN. I mean, of course, of the Holland boat.

"Admiral BOWLES. Of the Holland boats. I have made a schedule of the cost of the boats under present construction.

"Mr. LOUDENSLAGER. Excuse me, Admiral, right here. Is that the last boat?

"Admiral BOWLES. The boats now building under contract, and I have prepared a schedule of what I think would be a reasonable price for the boats now building.

"The CHAIRMAN. Would that price give them a reasonable profit?

"Admiral BOWLES. Give them a handsome profit.

"Mr. MEYER. Does it embrace the cost of administration?

"Admiral BOWLES. I was about to say that the cost of a submarine boat largely depends on the amount of experimentation which has to be done. That is certainly very expensive. Now, my calculations show that a reasonable cost, with a handsome profit to the contractor for the boats now building, would be $89,459.

"Of that I have allowed $11,100 for trials and tests. This price includes a fair percentage for the usual margin of general expense, such as are incurred in manufacturing work, but nothing more.

"Mr. LESSLER. You are going to put that all in, are you not?

"Admiral BOWLES. No. I will answer any question with regard to the cost of the relative parts of the boat, but this is my memorandum

"Mr. LESSLER. Very well.

"Mr. RIXLEY. Admiral, in the statement you proposed a little while ago, the appropriation carries $125,000 for each boat, as I understand you?

"Admiral BOWLES. Yes, sir.

"Mr. RIXLEY. You say $89,000 would carry a liberal profit?

"Admiral BOWLES. Yes.

"Mr. RIXLEY. Why do you provide an appropriation of $125,000.

"Admiral BOWLES. I provide that because the provision requires the Secretary of the Navy to be satisfied that the boat is a substantial improvement upon anything now building. That, of course, will involve certain experimentation, and the provision says 'four or more;' that is, the price could not exceed $125,000, but it might be less.

"The CHAIRMAN. You have examined the hull of the Holland boats, as I understand it?

"Admiral BOWLES. Yes.

"The CHAIRMAN. What do you estimate as the cost of the hull?

"Admiral BOWLES. I estimate the cost of the hull at $13,835.

"The CHAIRMAN. What machines are there inside of her?

"Admiral BOWLES. The principal machine is the gasoline engine.

"The CHAIRMAN. What is that worth.

"Admiral BOWLES. I have allowed in my estimate $60 a horsepower for that, which is a very liberal price, and that makes the total value $9,600.

"The CHAIRMAN. What is the next important piece of machinery?

"Admiral BOWLES. The next important item is the storage battery.

"The CHAIRMAN. What do you value that at?

Admiral BOWLES. I value it at $12,000.

The CHAIRMAN. What is the next important bit of machinery?

Mr. VANDIVER. Let me ask right there, does that include the dynamo and all?

Admiral BOWLES. No, sir. The next most important item is the dynamo and motor. They are [illegible]. For that I have allowed with all its fittings, $3,850.

The CHAIRMAN. What about the steering apparatus?

Admiral BOWLES. The steering and driving arrangements I have allowed [illegible]

The CHAIRMAN. [illegible] apparatus or the tubing for the air?

Admiral BOWLES. [illegible] have allowed about $200.

Mr. [illegible] Now [illegible] the tanks necessary for the storage of the air?

Admiral BOWLES. No.

Mr. [illegible]

Admiral BOWLES. [illegible] gear I have allowed $1,100.

The CHAIRMAN. W[illegible] machinery that you have estimated [illegible]

[illegible] I have not covered in my testimony [illegible] compressing gear, flasks, and pip- [illegible] items of the cost of the boat.

[illegible] building this boat in a Govern-

[illegible]

[illegible] chinery in this boat is or is not

[illegible] can be purchased in the open

[illegible] the open market?

[illegible]

[illegible] without infringing on any

[illegible] What I mean is this [illegible] marine boat and its oper- [illegible] boat are upon detailed [illegible] then, if we do not do those [illegible]

[illegible]

[illegible] foregoing statements [illegible] Bureau of Construc- [illegible] necessarily had much [illegible] character. At the pres- [illegible] work, etc., of the Fore

River Shipbuilding Company, the builders of the *Holland* type of submarines. That he is authority on matters of cost of construction there is no doubt, otherwise a shipbuilding company as large as the one with which he is employed would not intrust their building to him.

Therefore, basing calculations upon the figures which Admiral Bowles states would give "a handsome profit" to the builders of the Holland boats; namely, $89,459 for a 120-ton boat, or $745.45 per ton—it will readily be seen by the following comparative statement that there has been an extra handsome profit of $1,519,738.58 since the United States contracted for the first Holland, the *Plunger*, in March, 1899.

Boat.	Tons.	Cost per boat.	Cost per ton.	Excess over $745.45 per ton.	Total excess profit per boat on a basis of $745.45 per ton.
Holland	105	$150,000	$1,428.57	$683.12	$71,727.60
Adder	120	170,000	1,416.66	671.21	80,545.20
Porpoise	120	170,000	1,416.66	671.21	80,545.20
Plunger	120	170,000	1,416.66	671.21	80,545.20
Pike	120	170,000	1,416.66	671.21	80,545.20
Shark	120	170,000	1,416.66	671.21	80,545.20
Moccasin	120	170,000	1,416.66	671.21	80,545.20
Grampus	120	170,000	1,416.66	671.21	80,545.20
Octopus	274	250,000	912.42	166.95	45,749.78
Viper	170	200,000	1,176.47	431.02	73,273.40
Cuttlefish	170	185,000	1,088.23	342.78	58,272.60
Tarantula	170	185,000	1,088.23	342.78	58,272.60
Octopus type (four boats)	274	285,000	1,040.15	294.70	80,747.80
	274	285,000	1,040.15	294.70	80,747.80
	274	285,000	1,040.15	294.70	80,747.80
	274	285,000	1,040.15	294.70	80,747.80
Octopus type (three boats)	340	362,000	1,064.70	319.25	108,545.00
	340	362,000	1,064.70	319.25	108,545.00
	340	362,000	1,064.70	319.25	108,545.00
Total excess profit on boats to date					1,519,738.58

This brings us up to the proposed submarine legislation as passed upon by the House Committee on Naval Affairs, namely:

The Secretary of the Navy is hereby authorized and directed to contract for eight submarine torpedo boats, in an amount not exceeding in the aggregate three million five hundred thousand dollars, and the sum of one million is hereby appropriated toward said purpose, and to remain available until expended: *Provided*, That all such boats shall be of the same type heretofore determined to be the superior as the result of the comparative tests held under the provision of the naval appropriation act approved June twenty-ninth, nineteen hundred and six, and March second, nineteen hundred and seven, unless on or before October first, nineteen hundred and eight, a submarine boat of a different type and of full size for naval warfare shall have been constructed and submitted to the Navy Department for like trial and by such like trial by said Department demonstrated to be not inferior to the best submarine torpedo boat in the competitive competition above referred to.

Computing the excessive profit to the Electric Boat Company from the proposed legislation, as above quoted, on Admiral Bowles's figures, we have:

Eight submarines of the *Octopus* type at a cost of $3,500,000, which means a unit cost of $437,500 for a 340-ton boat, or $1,286 per ton. Deducting from this proposed price the price per ton ($745) recommended by Admiral Bowles, who, as I have stated, is the builder of these boats, and it is seen that the Government would be paying an excessive profit of $541 per ton. In other words, the excessive profit on these eight boats of 340 tons each would be $1,471,520.

It can be readily shown, I think, by the testimony of Admiral Capps, the present Chief Constructor of the Navy Department, if the com-

mittee desires to go into the matter of cost of submarines, that the cost to construct these boats does not hold good per ton as the size of the boat is increased; that is to say, any naval expert will testify that the cost per ton decreases in an increasing ratio as the size and tonnage of the boats are increased. For instance, a 200-ton boat would cost per ton considerable more than a 250-ton boat, and a 300, 350, 400, 450, or 500 ton boat would decrease in cost per ton in a continuing and accelerating ratio.

I submit a comparative statement of the bids submitted by the Electric Boat Company and the Lake Torpedo Boat Company for the construction of submarines on April 30, 1907, from which it appears that the submarines to be constructed by the Electric Boat Company are to cost on an average of about $320 per ton more than the prices offered by the Lake Torpedo Boat Company under guarantees required by the Navy Department and subject to the performances of all tests prescribed or to be prescribed by the Navy Department as a condition precedent to their acceptance. By this statement it will also be seen that the lowest price of the Lake Torpedo Boat Company is $800 per ton, which approaches very closely the price given by Admiral Bowles.

EXHIBIT "A."—*Comparative statement of proposals for submarines.*

[Submitted to the Secretary of the Navy April 30, 1907.]

	The Lake Torpedo Boat Co.				The Electric Boat Co.				Lake Co's. advantage per ton.
	Boats.	Tons.	Price per— Boat.	Price per— Ton.	Boats.	Tons.	Price per— Boat.	Price per— Ton.	
85-foot	1	235	$225,000	$957.44	1	274	$323,000	$1,178.83	$221.39
	2	235	210,000	893.61	2	274	317,000	1,156.93	263.32
	3	235	198,000	842.55	3	274	315,000	1,149.63	307.08
	4	235	198,000	842.55	4	274	313,000	1,142.33	299.78
	5	235	198,000	842.55	5	274	312,000	1,138.68	296.13
100-foot, type A	1	275	300,000	1,090.90	1	274	323,000	1,178.83	87.93
	2	275	275,000	1,000.00	2	274	317,000	1,156.93	156.93
	3	275	250,000	909.09	3	274	315,000	1,149.63	240.54
	4	275	250,000	909.09	4	274	313,000	1,142.33	233.24
	5	275	250,000	909.09	5	274	312,000	1,138.68	229.59
100-foot, type B	1	250	235,000	940.00	1	274	323,000	1,178.83	238.83
	2	250	225,000	900.00	2	274	317,000	1,156.93	256.93
	3	250	220,000	880.00	3	274	315,000	1,149.63	269.63
	4	250	220,000	880.00	4	274	313,000	1,142.33	262.33
	5	250	220,000	880.00	5	274	312,000	1,138.68	258.68
100-foot, type A	1	500	450,000	900.00	1	340	395,000	1,161.76	261.76
	2	500	425,000	850.00	2	340	385,000	1,132.35	282.35
	3	500	405,000	810.00	3	340	382,000	1,123.52	313.52
	4	500	405,000	810.00	4	340	380,000	1,117.64	307.64
	5	500	405,000	810.00	5	340	379,000	1,114.70	304.70
142-foot, type B	1	425	365,000	858.82	1	340	395,000	1,161.76	302.94
	2	425	350,000	823.53	2	340	385,000	1,132.35	308.82
	3	425	340,000	800.00	3	340	382,000	1,123.52	323.52
	4	425	340,000	800.00	4	340	380,000	1,117.64	317.64
	5	425	340,000	800.00	5	340	379,000	1,114.70	314.70
Pacific coast prices—Lake Company's same for Atlantic, Pacific, and Gulf.									
100-foot, type A	1	275	$300,000	$1,090.90	1	274	$360,000	$1,313.86	$222.96
	2	275	275,000	1,000.00	2	274	348,000	1,270.07	270.07
	3	275	250,000	909.09	3	274	343,000	1,251.82	342.73
	4	275	250,000	909.09	4	274	341,000	1,244.52	335.43
	5	275	250,000	909.09	5	274	346,000	1,240.87	331.70
142-foot, type B	1	425	365,000	852.82	1	340	438,000	1,288.23	429.41
	2	425	350,000	823.52	2	340	425,000	1,250.00	426.48
	3	425	340,000	800.00	3	340	420,000	1,235.29	435.29
	4	425	340,000	800.00	4	340	418,000	1,229.40	429.40
	5	425	340,000	800.00	5	340	417,000	1,226.47	426.47

Average price per ton of bids by Electric Boat Company..... $1,198.33
Average price per ton of bids by Lake Torpedo Boat Company..... 877.56

Average advantage per ton of Lake Torpedo Boat Company's bids..... 320.77

The foregoing, as well as the following statements of the public press, show clearly that these boats have been most expensive instruments in warfare without rendering or demonstrating any practical value in return.

[Army and Navy Register, March 14, 1908.]

The report of the performance of the three submarines on the trip from New York to Annapolis has led to some question whether the 11-inch cylinder gasoline engines, supposed to be the largest afloat, with which the boats are equipped are fitted for such work as they are called upon to do as the motive power of this type of vessel. They are suited for light work, such as running out from a dock and back again. The commanding officers of the *Viper*, *Cuttlefish*, and *Tarantula* will make special reports on this subject, and it is expected that the Navy Department will decide that certain changes should be made before similar engines are installed in the boats contracted for.

This article indicates that the boats are only suited for light work, and that they are having much trouble with their engines, etc.

[New York Herald, June 5, 1907.]

"SUBMARINES ARE USELESS"—SIGSBEE.—REAR-ADMIRAL ALSO DECLARES THAT AIR SHIPS AS ENGINES OF BATTLE ARE ONLY A DREAM.

Baltimore, Tuesday.—That the submarine torpedo boat is only a scarecrow, that battles among airships in midair is a dream, and that every war benefits nations were the ideas expressed by Rear-Admiral Charles D. Sigsbee to-day.

"The submarine," said the Admiral, "is a vessel of opportunity. There may be a time when it will be a powerful engine of warfare, but you will notice that as rapidly as some new method of attack is invented a new method of defence is ready to oppose it.

"For the present nothing is to be feared from or hoped for the submarine. It is a vessel which must sneak up under cover of night and even then its bubbles can be seen and its course detected so accurately that it is a small matter to avoid it.

"I was eight days and eight nights before Santiago and was not attacked by the torpedoes, and later, when I was attacked, our guns simply sank them and killed eight of the crew, while the rest had a hard time getting ashore with the wreck. No, it must not be assumed in developing an engine of attack that the other fellow is not in the tower. I never slept before Santiago."

"That the submarine torpedo boat is only a scarecrow." "That the submarine is a vessel of opportunity." "That at the present time nothing is to be feared or hoped from the submarine."

[Army and Navy Journal, March 14, 1908.]

The engines for the submarine *Octopus* will soon be completed, and it will not be long now before the boat will be turned over to the Navy Department and placed in commission. While this boat is the standard boat of her type, she has been unfortunate, and the *Cuttlefish* and *Viper*, which were begun after she was laid down, have been in commission six months. The *Octopus* during her acceptance trials at Newport last July sunk and her crew lost control of her, and at one time thought their lives were lost. In trying to get her up the engines were practically ruined. By means of the compressed-air apparatus the boat was got to the surface and a terrible catastrophe was avoided in the nick of time. The *Octopus* had, previous to this adventure, competed in the contest with the Lake boat for the $3,000,000 hung up by Congress to be awarded in contracts to the company having the winning boat. It was on the result of this contest that the proposition was advanced in the House Naval Committee to give contracts for submarines to the makers of the *Octopus*, without competition by any other concern.

[Newport News, Va., Press, April 22, 1906.]

UNCLE SAM'S SUBMARINES AND THEIR DERRICKS.

We note with more or less interest a Washington dispatch which announces that special precautions are to be taken for the safety of the submarine boats now in the Navy, which practical men have come to believe are a menace to the men who handle them. For instance, we are told that "not only will there be with them at their maneuvers a tender, equipped with a powerful derrick and booms for lifting a disabled

submarine to the surface, but it is purposed to furnish each submarine with a floating signal, arranged with a spool of light wire carried on the outside of the submarine shell and connected with the interior so that in time of disaster the imprisoned persons may release the floating signal, which will appear on the surface of the water and indicate that the submarine is in distress."

"It has been pointed out," continues the dispatch, "by an expert that a submarine might really be unable to get to the surface, and that by the nature of the exercises no one would be aware of the fact until it was too late to render assistance." We fail to see why it required expert knowledge to arrive at a conclusion established by more than one horrible and soul-sickening catastrophe on the other side of the ocean and which might have been duplicated here but for the fact that the Navy's submarines have been towed from place to place and have seen very little real service under everyday conditions.

There is evidently something radically wrong with the submarine which requires such elaborate and costly apparatus to prevent it from becoming a death trap even under ordinary conditions following a summer day's maneuvers. Would it have a tendency to encourage the men penned up in such a craft to know that their comrades above knew that they were helpless on the bottom of the sea? Would it have a tendency to encourage that confidence and esprit du corps which is so essential in the satisfactory handling of a war vessel or any other war contrivance?

It seems to us that this trifling with the submarine question has been carried far enough. It is becoming quite apparent that the Navy Department made an egregious blunder in its original selection of a submarine, and all this derrick and signal business is designed to hide the merits of the case and to bolster up and try to make practical a boat which is built on dangerous principles to begin with.

Now, the question is: What does Congress propose to do about the matter? It would be the rankest sort of stupidity to continue buying submarines which have demonstrated their unfitness for practical service and which must be reenforced by derricks and signals, and must always have a convoy close at hand to keep it from being more destructive than the guns of an enemy's ship.

In view of these facts it is surprising that the Navy Department should persistently attempt to shut out any competition which would have a tendency to show a better submarine. Does that mean a lobby and an ultimate submarine scandal as odoriferous and as disgusting as that which sent some Government officials of the Post-Office Department to the penitentiary?

If some Member of Congress could just erect a derrick which would lift the Navy Department out of its preconceived ideas of submarine affairs a greater service would be performed than by any mechanical contrivance which simply would pull a submarine out of the mud.

[Newport News, Va., Press, May 4, 1906.]

A SUBMARINE EXPLOIT.

An Associated Press dispatch from Newport, R. I., gives interesting details of one of the latest exploits of a Government submarine boat. The story follows: "The Government tug *Mina* was rammed to-day by the submarine torpedo boat *Porpoise* during the maneuvers in Coddington Cove and the tug was forced to run full speed for the shore to escape sinking.

"The *Porpoise*, Lieutenant Knowton, was making tests in the cove 4 miles above the city in Narragansett Bay, with the *Mina* acting as escort. The *Porpoise*, in coming to the surface at a good speed, struck the *Mina* on the starboard bow below the water line and stove a hole in her a few feet from the bow.

"The forward compartment filled with water, but Chief Boatswain Sullivan, who was commanding the tug, swung her around and headed for the shore, at the same time ringing for full speed. The tug's bow was well down when she grounded on the sandy beach. The *Porpoise* was not injured."

A peculiar and somewhat disconcerting feature of most of the active operations of the particular type of submarines now holding sway in the United States Navy is their tendency to sink ships with which they are supposed to be cooperating and to turn turtle and suffocate the men who man them.

Recently naval experts have recommended that each of the submarines be attended by a convoy fitted out with a derrick so that if anything should happen to the diver it might be hauled to the surface of the water. The performance of the *Porpoise* suggests that it may be necessary to furnish each submarine with two derrick-equipped convoys, for if there is to be this remarkable uncertainty regarding the course to be taken by a submarine as it comes to the surface, we have no assurance that the attending ship will not be put out of commission at any time. Then, too, the shock of the

impact might also put the submarine out of business, in which event there would be pressing necessity for the other convoy with its derrick and its lifeboats.

We trust that the Navy Department will take this matter under consideration, and that the steps necessary to secure the additional convoy and derrick will be taken at once. Of course that would involve a good deal of expense, but if we are bound to have the present type of submarine (despite its shortcomings and its manifest dangers) we must have the necessary safeguards to protect the lives of the submarine crew and the derrick tenders. Besides, what is a little matter of money when it comes to hiding the bad judgment of the men who have been deciding these submarine issues according to their own sweet wills? It would be easier for them to provide the extra convoys and derricks than to admit that they have made a mistake. The taxpayers, however, may some day take a different view of the matter.

[New York World.]

JAPAN IN YEAR WILL BE READY FOR THE WORLD—SO SAYS JOHN P. HOLLAND, WHO COACHED HER ENGINEER IN SUBMARINE BUILDING—NEW CRAFT MARVELS—"WILL GO ANYWHERE A FLEET CAN, AND STRONG ENOUGH TO SMASH EVANS."

John P. Holland found time to-day to sound a note of warning to the warring members of the Naval Committee at Washington and to Uncle Sam regarding the prospects of a sea fight in which our submarines may figure. He said:

"All submarines in use to-day are copies of my original boat, many of them poor apologies. The submarine fleet of the United States would be utterly useless outside of breaking a harbor blockade. They could not follow a fleet, like those which Japan is turning out every day.

"Japan has incomparably superior submarine war men than we have. Mr. Matsu Kata, her national engineer, spent a year with me, daily learning the devices and secrets of the Holland. He returned to his country when no breath of hostility stirred the air. Unlike most peoples, the Japs work independently and indefatigably. They are building boats designed and fitted to accompany a fleet in any kind of weather for any distance and at any speed. Think of that! Admiral Evans's vast fleet would be blown from the seas with such submarine craft against him.

"Our boats can not travel with a fleet, and they can not venture far from a port. Japan's boats work; they don't do stunts. Our submarines, I'm sorry to say, are now a joke. My patterns have been subjected to the treatment of young, inexperienced engineers who professed to know more about problems I had battled with for years, and ruined.

"It is amazing how the United States Government can spend millions for submarine-and then get really nothing compared to what skillful Japanese engineers are building for their country.

"I am not wealthy, but I manage to keep the wolf from the door. I once had one-half of 1 per cent in the Electric Boat Company and the company which bears my name, but the promoters, men of great wealth, figured that some little schoolboy engineer could produce results with the product of my years of toil, and I was left in the cold.

"The American people are beginning to see the strangely unpatriotic heart which beats in the breast of a corporation. Uncle Sam is the victim, not I. I created a war weapon which, under my care and improvement, would have eclipsed any destructive machine in the world. England tried to improve on my plans and lost three submarine crews and three boats.'

Mr. Holland, the inventor of the submarines, now in the service of the United States, and which boats bear his name, states in the above:

Our submarines, I'm sorry to say, are now a joke. My patterns have been subjected to the treatment of young, inexperienced engineers who profess to know more about problems I had battled with for years, and ruined.

[Army and Navy Journal October 26, 1907.]

The Navy Department has not yet accepted the submarine *Octopus*, and some curiosity is shown as to cause for delay, as other boats built by her makers since this boat was completed have been accepted. Department officials explain that during the tests at Newport last spring an accident occurred to the machinery of the *Octopus* and she went to the bottom and stayed there until by using the compressed-air apparatus the boat came up. As the engines were injured in the attempt to raise the boat on the occasion referred to, there has been delay in accepting her.

[New York Herald, February 22, 1908.]

SUBMARINES POOR, SAYS MR. HOLLAND—INVENTOR CALLS LATEST CRAFT OF ELECTRIC BOAT COMPANY "WORTHLESS"—WOULD STOP BUILDING—SAYS GOVERNMENT SHOULD CONSTRUCT NO MORE, AS THEY ARE "UNNECESSARY EXPENDITURE"—DENIAL OF ISAAC L. RICE—TAKES ISSUE WITH WASHINGTON REPORTS ON THE LESSLER INVESTIGATION BEFORE CONGRESS.

John P. Holland, inventor of the original Holland submarine boat, said yesterday at his home, in Orange, N. J., that he had no knowledge whatever concerning developments in connection with the building of submarine boats for the United States Government. He said that up to April 1, 1904, he had been consulting engineer of the Electric Boat Company, but since then had had nothing to do with that company. He did not want his name used in connection with submarines recently completed or being built, as they did not represent his patents or conform with his original plans.

"If I were placed on the witness stand before a naval investigating committee at Washington," said Mr. Holland, "I would urge that no more submarine boats be built like those that have recently been constructed. To my mind they are worthless as defensive boats, and therefore an unnecessary expenditure. What the people of the Pacific coast are thinking about when, as is reported, they petition for submarine boats I do not understand. Submarines can never effectually defend any coast, as is understood by naval authorities."

Mr. Holland said he saw Baron Matsukata last September and again in October, and that the Baron told him that the boats were being built at Kobe, but would not say how many were being constructed. He was given to understand, however, that a big flotilla was being built. Mr. Holland said that these boats would be able to cross the Pacific at a greater speed than Admiral Evans' fleet was now making and would be able to accompany any fleet of battle ships on any cruise. The submarine, Mr. Holland said, was no defense against a submarine and could be used only as a defense against a battle ship fleet or to attack a battle ship fleet or land defenses.

Isaac L. Rice, president of the Electric Boat Company, was desirous of getting his side of the alleged bribery in Washington before the public and asked to be allowed to explain the Lessler matter. To a Herald reporter he said:

"In connection with the Representative Montague Lessler matter I desire to say it was disposed of completely by a very exhaustive examination made by Congress, covering 270 printed pages from House of Representatives Report 3482, Fifty-seventh Congress, second session.

"Your Washington correspondent says in yesterday's issue that 'Lessler came out of the investigation with flying colors, yet the committee reported there was no reliable evidence of corruption.'

"This matter being nearly five years old, and your correspondent probably not having the report before him, I think it only proper to say that any use of the word 'reliable' is not accurate.

"The actual language of the unanimous report was as follows: 'That there is no evidence to sustain the charge of an attempt by the Holland Submarine Boat Company or any of its agents to corruptly influence a member of the Committee on Naval Affairs respecting proposed legislation before said committee and the House.'"

[Chicago Examiner, November 15, 1906.]

EVANS LAUGHS AT SUBMARINES—"FIGHTING BOB" SAYS U. S. NAVY IS BEST IN WORLD—FIRES BROADSIDE OF TALK AT REPORTER—36,000 MEN IN SERVICE ARE NOT ENOUGH FOR SHIPS NOW BUILT.

"Fighting Bob" Evans anchored in Chicago yesterday, and here are some of his ideas:

The principal use of the submarine is to frighten nervous people.

Our Navy is third in size and first in excellence.

If we had a war, we would have to recruit fast.

The battle ship is the backbone of the Navy.

Our traditions are the soul of the Navy.

We need a general staff.

Avast lubber! Fighting Bob Evans is in town.

No; that hitch in his leg is not a sea hitch. It came from a wound received while storming Fort Fisher. He strode the deck at the Virginia Hotel yesterday and piped the Navy for fair. "Piped" is a seagoing word

It lacked two bells of the time for the dinner flag to go to the masthead at the hotel when the Admiral saw a reporter salute the quarter-deck and come aboard. Here is what he said:

"The American Navy ranks third in point of size, but in point of excellence it comes first.

"There is no longer any difficulty in getting first-class men to man ships. If we had a war, however, we would have to do some fast recruiting. Before the Spanish American war 96 per cent of the Navy was foreign born; now the percentage is exactly reversed.

36,000 MEN NOT ENOUGH.

"We have at present 36,000 enlisted men in the service. The number is not sufficient to man the ships that are already built.

"The naval reserve is to the Navy what the national guard is to the Army, and the naval reserve compares very favorably with the national guard in organization and in discipline. Its object is to man the auxiliary cruisers in time of war, although it could be used to reenforce the crews of the regular ships.

"I do not see how the present large naval establishment can be managed without the organization of a general staff. We have none at present, but we could not successfully manage a war without one.

"We learned many things from the Japanese-Russian war. However valuable these lessons were they did not materially alter the theories that had been previously held by naval men.

"They demonstrated beyond a doubt that the battle ship is the backbone of the Navy, and that no number of cruisers, however well handled, or fleet, can possibly take the place of the battle ship. The limit in size of the battle ships has been reached, and I do not believe that anything larger than a 20,000-ton vessel will ever be designed for the Navy.

SUBMARINE AN EXPERIMENT.

"The submarine is principally good to frighten nervous people. It has not passed beyond the stage of experiment. The moral effect of these little fellows in war would undoubtedly be great, but their destructive power is yet to be shown.

"Everything has changed in the Navy since I entered it except seamanship, gunnery, and the traditions of the Navy. I came in forty-six years ago. Our traditions are the soul of the Navy. If our crews did not have the courage and the loyalty that animated the crews of the *Bonhomme Richard* and the *Constitution*, the most powerful ships and the most improved armament would not avail us anything."

[New York Sun February 2, 1908.]

SUBMARINES DON'T GO OUT—WOULD JUST AS SOON HAVE CALMER SEAS FOR TRIP TO ANNAPOLIS.

The submarines *Tarantula*, *Cuttlefish*, and *Viper*, although it is their habit to navigate the depths far from superficial agitation, did not care to venture out into the southeast gale that was wrinkling the surface of the sea yesterday. They were scheduled to start in the morning, accompanied by the gunboat *Hist*, for Annapolis, on the longest ocean trip ever attempted by craft of their class. The distance, including more than 100 miles of the comparatively quiescent waters of Chesapeake Bay, is 420 nautical miles. Lieut. C. E. Courtney, in charge of the *Hist*, commands the expedition. The 12 men on each of the little ships are mostly machinists and electricians. Lieut. J. F. Daniels commands the *Tarantula*, Lieut. D. C. Bingham the *Viper*, and Lieut. E. J. Marquart the *Cuttlefish*. The submarines are not intended to be storm defiers and that is why Lieutenant Courtney decided to hold them in port until the weather was favorable to test their long distance capacity. They may not start for Annapolis until to-morrow.

[New York Sun, February 7, 1908.]

SUBMARINES MAKE A START—AND THEN COME BACKA GAIN, FINDING THE SEA TOO ROUGH.

The submarines *Tarantula*, *Cuttlefish*, and *Viper*, preceded by the gunboat *Hist*, flagship of the expedition, bound for Annapolis on the longest trip ever attempted by vessels of their class, made a start for the open yesterday evening. It was the intention to send them away last Saturday, when there was a gale afloat, but Lieut. C. E.

Courtney, who commands the *Hist* and is the admiral of the squadron, decided that they could not do the trick in bad weather.

The little ships left the navy-yard yesterday afternoon after maneuvering in the upper bay to see that everything worked shipshape. They headed seaward, passing out at Sandy Hook in a single column, with the *Hist* leading, at 6.05 o'clock. The marine observer at the Hook thought they were off, but they were not. He did not see them again, but Quarantine reported them passing in to anchorage off Tompkinsville at 8.50. Lieutenant Courtney had found very rough weather outside, although it looked placid enough in the lower bay when he headed seaward. He so informed by wireless Rear-Admiral Goodrich, in command at the navy-yard.

Will an attacking hostile fleet wait for fair weather? Of what use can these fair-weather boats be in an engagement fought through storm? Of what moral effect, even, would such boats have when all experts acquainted with our submarines know that about all they have proven is their weakness?

[New York Sun, February 11, 1908.]

SUBMARINES GO INTO DRY DOCK—THE ICE HAS PLAYED THE MISCHIEF WITH THE LIGHTWEIGHT PROPELLERS.

The lookouts at Cape Henry may have to wait a long time before they get a glimpse of the submarine boats *Cuttlefish*, *Tarantula*, and *Viper*, which a dispatch from Norfolk published yesterday said had not entered the Chesapeake. The three little war ships were put in dry dock yesterday in the navy-yard at Brooklyn to have their twisted propellers straightened out.

They were scheduled to sail ten days ago for Annapolis, but a storm that stirred the coastwise course into unwonted turmoil kept them in. They sailed from the navy-yard on Thursday and after maneuvering in the upper bay headed for the open, preceded by the gunboat *Hist*, flagship of the squadron, commanded by Lieut. C. E. Courtney. They got outside the Hook, where it was found that one of the submarines had a twisted propeller blade and that the rest would have to accommodate their speed to that of the damaged ship if it was decided to make the trip. Besides this, the sea outside was a bit lumpy.

Now, one of the objects of the 400-mile trip is to create a speed record for craft of the diving sort, and as that would have been impossible with a disabled vessel, Lieutenant Courtney put back and anchored off Tompkinsville. He found lots of ice there in the next turn of the tide seaward, and it played the deuce with the squadron's propellers, which were not made to battle with arctic seas. He had to call for a tug from the navy-yard to help cut a lane for the submarines through the ice. They were towed to the yard and had more trouble with the ice in making dock.

It was suggested that the submarines might have avoided the ice by plunging under it; but that, the experts said, was impracticable in a crowded harbor like New York, and outside the harbor they do not have to dive, as there is no ice worth mentioning a few miles offshore. Going up the Chesapeake at this season the boats are likely to encounter about as much, if not more, ice than they met down the bay. The ice is sometimes so heavy in the Chesapeake that ice breakers, specially constructed steamers heavily shod with steel, are used to keep navigation open. It looks now as if the trip of the submarines will be postponed until there is a breaking up of the ice—which may not come for several weeks—in this harbor.

Each of the little ships is 93 feet long over all, has a displacement of 175 tons, and carries four Whitehead torpedoes.

[New York Sun, February 20, 1908.]

CRUISER TO AID SUBMARINE—DES MOINES SENT TO FREE HIST AND VIPER, STUCK IN CHESAPEAKE BAY.

WASHINGTON, *February 20, 1908.*

Capt. Charles J. Badger, superintendent of the Naval Academy at Annapolis, Md., telephoned to the Navy Department to-day that the gunboat *Hist*, which is the tender to the flotilla of submarines which left New York last Sunday afternoon, is aground on Cove Point in Chesapeake Bay, about 40 miles below Annapolis, at the mouth of the Patuxent River. The submarine *Viper*, he said, is also aground seven miles below the Naval Academy. The submarines *Tarantula* and *Cuttlefish* are standing by the *Viper*.

The torpedo boat *Bagley*, Captain Badger, is said to have gone to the aid of the *Viper*, and the tug *Standish* left Annapolis yesterday to aid the *Hist*.

It was decided at the Navy Department late this afternoon to send the cruiser *Des Moines*, now at Hampton Roads, to the aid of the *Hist* and the *Viper*. The *Des Moines* will probably arrive early to-morrow morning and the little vessels will be hauled off without difficulty.

A telephone message was received at the Department to-day from Lieut. Charles E. Courtney, in command of the flotilla, saying that the submarines had good weather and made fair speed from the time they left New York Bay until the mouth of the Chesapeake Bay was reached. Upon entering the bay, he added, ice was encountered and there was a heavy snowstorm accompanied by thick weather. The *Hist* was driven ashore and the submarines endeavored to make the remainder of the trip to Annapolis without the tender. On their way up the bay the *Viper* ran ashore on account of a confusion of light-houses.

[Army and Navy Journal, January 20, 1906.]

Rear-Admiral Joseph B. Coghlan, U. S. Navy, in the course of an address before the Patria Club, of New York, on the evening of January 12, discussed the subject of naval expansion with the same vigor and frankness which have characterized his remarks on the same question on other recent occasions. He declared that while on paper the United States Navy in 1908 would be second in point of strength, yet if vessels now practically obsolete were stricken from the active list, the United States would rank only fifth or sixth among the naval powers of the world. Admiral Coghlan's views on the question of ship types were equally interesting. "There is," he said, "but one kind of fighting ship, and that is the speedy battle ship of the line. All other designs are doubtful quantities. Following the fads of various persons, we find among our 27 fighting ships some millions of dollars wasted on four monitors. In the harbor of Manila I have seen one of them rolling twenty times a minute trying to hit something with a 12-inch gun—much as I have seen a woman trying to hit a hen with a stone. Three submarine ships came to the navy-yard, last spring, for repairs. Heaven only knows when they will get away. As soon as you repair one end of a craft the other end needs rebuilding. The insides have been wholly rebuilt, and the only thing I can see to do with them is to build new hulls. I shall object to doing that, however, when the subject comes up for consideration. I prefer to let them sink where they are. The battle ship is the ideal sea fighter, because it has the power of protection and the ability to carry its weapons within striking distance. But I consider the modern torpedo boat as the most deadly form of marine craft. I believe that there can be no final type of war vessel; we must always build—always keep repairing and realize that an up-to-date country should not only keep abreast of the times, but a little bit ahead. I believe that we should not follow too closely European standards in the construction of our battle ships. You will be surprised to know how quickly a ship becomes antiquated. Even now Dewey's ship *Olympia* would need a great amount of repairs to bring it up to date. The only man who ever can revolutionize war is He who will abolish it, and we are waiting for His second coming." Admiral Coghlan's remarks on the Naval Militia were equally to the point. He said: "It is often said that a few months will get our men into good shape. Yes! but where is the enemy who will give us even those few months? For such a one we will not need preparation! Some are trying to partly solve the problem by the idea of a Naval Militia. This may give us a few men, but they will be mostly men whose mode of life does not give them the stamina, physical of course, to stand the strain and hardships. Even the best of these lack the 'sea habit' which would keep them good men during their first few weeks at sea. And so we are driven to the inevitable conclusion that our recruits in war must come from our deep sea vessels—vessels engaged in foreign commerce.

"Three submarine ships came to the navy-yard last spring, for repairs. Heaven only knows when they will get away. As soon as you repair one end of the craft, the other end needs rebuilding. The insides have been wholly rebuilt, and the only thing I can see to do with them is to build new hulls."

The foregoing facts and conditions influenced me to introduce House resolution No. 264, and it is believed that an official statement of the facts asked for therein would go a great way to disabuse the illusions in the mind of the Electric Boat Company and their agents and representatives, technical and nontechnical, as to the practical merits of the boats they claim are so good.

Whereas, first, the following statements have been published in the public press: "It can be readily seen that the programme of the House committee at this session proposes to pay at least one thousand two hundred and eighty-six dollars per ton for the submarines, against a reasonable price named by Mr. Bowles of seven hundred and forty-five dollars and forty-five cents per ton, or one million four hundred and seventy-six thousand two hundred and ninety-six dollars and sixty cents more than the present builder said they were worth when he testified before the committee in nineteen hundred and two." Also: "It developed to-day that on the seven Holland submarines commissioned in nineteen hundred and three, at a cost of one million one hundred and ninety thousand dollars, the sum of four hundred and thirty-nine thousand one hundred and nineteen dollars and nine cents has been expended in the last four years in maintenance and repairs. Of this amount three vessels alone have taken most of the appropriation. It is further ascertained that the *Grampus* and *Pike*, at Mare Island Navy-Yard, are now laid up, never having worked to the entire satisfaction of the Department, while Congress has just been asked to appropriate the following sums for repairs in addition to materials already purchased: The *Adder*, twenty-four thousand five hundred dollars; the *Grampus*, thirty-three thousand five hundred dollars; the *Moccasin*, thirty-four thousand five hundred dollars; the *Pike*, thirty-three thousand five hundred dollars. Must keep contracts secret.—An investigation of the contracts under which the submarines are purchased by the Government shows there is a confidential paragraph in each contract by which the Government is bound not to reveal any data concerning plans, specifications, models, weight records, speed records, or any other information without specific authority from the manufacturers. In contrast to this secrecy it is pointed out that millions of dollars of battle ships have been built and their performances and other data are duly chronicled in the Annual Register of the Navy Department." Also: "The trip of the submarine flotilla made up of the *Cuttlefish*, *Viper*, and *Tarantula*, and accompanied by the gunboat *Hist*, from New York to Annapolis Naval Academy has proved somewhat disappointing to naval officials." Also: "The *Octopus* is still in the shipbuilding yard having her engines, which were practically ruined in an accident during the acceptance tests here last spring, rebuilt;" and

Whereas, second, secret Government contracting is against public policy and the specific provisions of the Revised Statutes, sections five hundred and twelve, five hundred and fifteen, thirty-seven hundred and forty-four, and thirty-seven hundred and forty-five, which provide that papers on file may be examined by any person desiring to do so, and that copies thereof shall be furnished upon certain fees: Therefore be it

Resolved, That the Secretary of the Navy is hereby directed to inform the House of Representatives whether seven hundred and forty-five dollars and forty-five cents per ton is a reasonable price for *Octopus* type of submarines; what price per ton is being paid for *Octopus* type of submarines; whether the sum of three million five hundred thousand dollars is excessive for eight *Octopus* type of submarines; what repairs have been made on each submarine—why, when, where, and with what results; how many days each submarine has been in active commission; how many days each submarine has been out of commission, and why; what accidents each submarine has had, the nature thereof and causes thereof; what contracts have been made for submarines; what prices have been paid per ton for each submarine built or contracted for; what submarines are available for use; what submarines are not available for use, and why; and to transmit to the House of Representatives verbatim copies of everything on file in the Navy Department relating to submarine boats, with the exception of detailed plans thereof, but not excepting reports relating to the performance of each submarine, accidents thereto, repairs thereon, and condition thereof, and the specifications thereof.

The CHAIRMAN. Mr. Lilley has also filed with the committee to be incorporated in the record the affidavit of one Clement E. Adams, of Bridgeport, Conn., relating to an article or articles printed by one J. F. C. Archibald, setting forth in this affidavit that Archibald told him the article was prepared at the request of one Lawrence Y. Spear.

At the suggestion of Mr. Lilley this will be incorporated in the record in full, and any weight or importance attached to it in the way of evidence to be determined upon an examination of the person making it if it is deemed necessary.

(The affidavit referred to is as follows:)

BRIDGEPORT, *March 16, 1908.*

STATE OF CONNECTICUT, *County of Fairfield, ss:*

Clement E. Adams, being duly sworn, doth depose and say that he resides in said Bridgeport and that in the summer of 1906 he was engaged in business in the city of Washington, and that during said summer of 1906 one J. F. C. Archibald came to him, the said Clement E. Adams, and represented that he, the said J. F. C. Archibald, was a war correspondent for Collier's Weekly and that he had been appointed by the President of the United States to visit certain cities and towns upon the Pacific coast of the United States to investigate and report to the President of the United States upon the condition of the coast defenses of the Pacific coast of the United States, and later he, the said J. F. C. Archibald, said to the deponent that he, the said J. F. C. Archibald, had visited certain cities and towns upon the Pacific coast of the United States and had reported thereon to the President of the United States, and that he, the said J. F. C. Archibald, had appeared before certain chambers of commerce, boards of trade, and other associations of business men and citizens in various cities and towns in States upon the Pacific coast and had addressed them, the said chambers of commerce, boards of trade, and associations of business men and citizens, upon the advantages to be gained by the States bordering upon the Pacific coast and the citizens of said States by the purchase by the United States Government of submarine torpedo boats, and that certain petitions and addresses made to Congress and the Members thereof by said chambers of commerce, boards of trade, and associations of business men and citizens in said cities and towns in States bordering upon the Pacific coast were caused by the work and efforts of him, the said J. F. C. Archibald, as aforesaid, and at a later time said deponent showed to the said J. F. C. Archibald a newspaper article on the subject of submarine torpedo boats wherein the Lake submarine torpedo boat was criticised, and the said J. F. C. Archibald said to deponent that he, the said J. F. C. Archibald, was the author of said newspaper article and did write the same, and that the criticism of the Lake submarine torpedo boat therein contained was incited and caused by the request to him, the said J. F. C. Archibald, made by one Lawrence Y. Spear, an officer of the Electric Boat Company, and that said request of the said Lawrence Y. Spear, made to him, the said J. F. C. Archibald, was by him, the said J. F. C. Archibald, acceded to because he, the said J. F. C. Archibald, was under obligations to the said Lawrence Y. Spear and the said Electric Boat Company.

CLEMENT E. ADAMS.

Subscribed and sworn to on this 16th day of March, A. D. 1908, before me.

[SEAL.] CARL FOSTER, *Notary Public.*

The CHAIRMAN. Also a letter from Theodore Roosevelt, President of the United States, saying that he received a letter from Mr. Archibald. The clerk will read the letter in full and incorporate it in the proceedings.

(The letter referred to is as follows:)

THE WHITE HOUSE,
Washington, March 18, 1908.

MY DEAR MR. LILLEY: Referring to our conversation of this morning, Mr. Archibald never was appointed or employed by me, nor, so far as I know, was he ever appointed or employed by anyone else connected with the Administration. Some time about a year ago he came in and saw me for about two minutes and said that he was going to make an investigation of the question of submarine defense on the Pacific, especially, I believe, in reference to Puget Sound; and that he was immensely interested in the subject, having been a war correspondent for various papers, and that he would like to send me a report of what he found. I answered him that of course I should be very glad to receive such a report from him or any other man who might investigate the subject. He sent me a letter on the subject some weeks later, which I transmitted to the Secretary of the Navy. I have transmitted dozens of similar letters from *men who have told* me of investigations that they had

made or of facts they had found or of suggestions which they believed were important. It is the usual course; it was followed in this instance exactly as in all similar cases.

Sincerely, yours,

THEODORE ROOSEVELT.

Hon. GEORGE L. LILLEY,
House of Representatives.

The CHAIRMAN. Mr. Lilley also left with the committee to-day two typewritten pages addressed to the chairman, of questions that he wishes to ask any witness that testifies that the *Octopus* type are worth more than $745.45 per ton. All of these requests will be printed in full in the record, to be asked of the witnesses who so testify.

(The questions referred to are as follows:)

Mr. Chairman, I desire the committee to ask any witness that testifies that the *Octopus* type are worth more than $745.45 a ton the following questions:

1. What is your name, age, and address?
2. What technical education have you had in hull construction, machinery, electrical machinery, gasoline engines, storage batteries, and ordnance?
3. What practical experience have you had in these lines?
4. Are you familiar with the cost of machinery and hull construction?
5. Are you familiar with the cost of parts of submarine boats?
6. Are you familiar with the cost of gasoline engines and motors?
7. Have you ever actually purchased machinery, electrical machinery, motors, gasoline engines, and storage batteries?
8. What is a reasonable cost price to the Government for gasoline engines of 250 horsepower? State price per pound.
9. What is a reasonable cost to the Government for an electrical motor of, say, 115 horsepower, 220 volts, at 370 revolutions per minute?
10. What is the weight of such a motor?
11. What would be a reasonable cost to the Government for a storage battery that would develop 2,827 ampere-hour capacity at a four-hour rate, 120 cells?
12. What would such a battery weigh in a submarine boat?
13. What would a 250-horsepower gasoline engine weigh for a submarine boat?
14. About what per cent of the cost of machinery does it cost to install the same in a submarine boat?
15. What would be a reasonable cost to the Government for medium steel hull construction per pound for submarine boats?
16. What is the length of the *Octopus* 274-ton submarine, and what is its breadth molded?
17. About what would such a hull weigh?
18. About what reserve buoyancy in tons would such a submarine of 274 tons have?
19. What would be the actual weight in tons of such a submarine?
20. You have stated that the gasoline engine of 250 horsepower would weigh ——— tons, a 115-horsepower motor ——— tons, a 2 827 ampere hour capacity battery ——— tons, state what the auxiliary machinery would weigh, provided the craft had duplicate engines and motors?
21. What would be a reasonable cost to the Government for auxiliary machinery and what the auxiliary machinery cost at the rate you have stated?
22. What would be a reasonable cost to the Government for a hull of the *Octopus* type of 274 tons displacement at the rate of hull construction you have stated per pound?
23. What would be the cost to the Government for a submarine built in a navy-yard of the general characteristics of 274 tons displacement, spindle hull about 100 feet long, molded breadth 13 feet 9 inches, medium steel 15 to 17 pounds per square foot, frames main 3.5 inches by 7.9 pounds, reverse frames 3 inches by 7.2 pounds, hull surmounted by a narrow superstructure, 7 to 10 pounds, frames 17.5 apart; two 250-horsepower gasoline engines, six cylinder, 11-inch diameter, 12-inch stroke, 450 revolutions, cast-iron pistons, cylinders, and base; two 115-horsepower motors, 220 volts, at 370 revolutions; storage battery 120 cells, 2,827 ampere hour capacity, four-hour rate, and necessary auxiliary machinery?
24. What is the cost of the 274-ton *Octopus* now under contract for United States *Navy?*

25. How does your estimated cost compare with the contract price?

Not being an attorney or having an opportunity under the rules of the committee to have any of said witnesses examined by attorneys, I am unable to state more specifically the line of inquiry I desire to have pursued, and the responsibility of such examination must remain as decided by the committee upon the members thereof.

Respectfully,

GEO. L. LILLEY.

Hon. H. S. BOUTELL,
Chairman Special Committee, House of Representatives.

The CHAIRMAN. Mr. Wooley desires to make a statement.

Mr. WOOLEY. Before I am sworn I would like to submit a proposition. After talking to you about it, and after thinking it over, I consulted with one or two friends, and they seemed to think it would be the best idea, at least I asked their opinion and they agreed with me that it would be best, if I would simply write out a statement in full and submit this statement to go in the record and swear to it. This matter relates to a matter that came up about Mr. Broussard the other day. I do this at my own volition and at nobody's request, and at the next meeting I will submit a statement and swear to it then.

The CHAIRMAN. If Mr. Wooley will prepare and submit a statement, any question about any further examination will be determined upon later. It is suggested that that should be prepared at once and submitted to the committee at your earliest convenience.

Mr. WOOLEY. Yes, certainly; as soon as possible.

The CHAIRMAN. We would like to have the statement submitted so that it may be considered to-morrow.

Mr. WOOLEY. That is all right. I prefer to sit down and prepare it carefully, so that I would not overlook any detail, and make it as clear and concise as possible, and I will deliver to the committee as soon as I have finished it.

The CHAIRMAN. Certain subpœnas have been issued upon demand upon the committee returnable next Monday. Mr. Lilley, in filing some of these papers to-day, stated that he wished to go out of town and would like to have the hearings of the committee go over as late as next Tuesday, if possible. The members of the committee have other engagements which make it impossible for the committee to meet on that day, and it was so suggested to Mr. Lilley, and the committee informed him that it would adjourn public hearings until Thursday, a week from to-day. The time, he said, would suit him even better than Tuesday. These subpœnas that were issued were made returnable at 10 o'clock on Monday. The committee will meet on Monday for the return of these subpœnas, but no testimony will be taken until a week from to-day, at 10 o'clock.

Mr. LITTLETON. If it is any consideration for the question of having the meeting on Monday that subpœnas were made returnable on Monday, it will not be necessary to meet on that day on that account, because we do not wish there shall be involved the question of the technical time of return so far as we are concerned on the persons we represent. We can arrange the waiver of the technicality to have these subpœnas to go over until Thursday if you prefer to have it that way.

The CHAIRMAN. Do you represent, Mr. Littleton, all the witnesses who have been so subpœnaed and made returnable next Monday?

Mr. LITTLETON. I think we may say safely that we do. The subpœnas that you issued were subpœnas duces tecum, as I understand it, for Mr. Rice, the treasurer of the company; Mr. Johnson, one of counsel, and the assistant treasurer of the company, and we can speak for all of those gentlemen. So far as these gentlemen that I have named are concerned, and can arrange it, there will be no question about the subpœnas being returnable Monday morning. We will arrange to have it go over until Thursday.

The CHAIRMAN. Subpœnas duces tecum were issued for Mr. Rice, Mr. Barnett, Mr. Treadwell, Mr. Johnson, Mr. McNeir.

Mr. LITTLETON. We can answer for all of those. We are not sure we can answer for Mr. McNeir. He will answer for himself. I am suggesting that to avoid bringing all these people down, and will have them here at the time when the committee will take testimony.

The CHAIRMAN. With that stipulation, as the counsel represent all the witnesses that have been subpœnaed, the committee will take a recess until 10 o'clock next Thursday morning, a week from to-day.

(Thereupon the committee adjourned until Thursday, March 26, 1908, at 10 o'clock a. m.)

SELECT COMMITTEE UNDER H. RES. 288,
HOUSE OF REPRESENTATIVES,
Tuesday, March 31, 1908.

The committee met at 11 o'clock a. m.

All members of the committee were present.

The CHAIRMAN. The committee will be in order. One of the witnesses subpœnaed for to-morrow is one of the state officials of the State of Connecticut. His public business demands his presence and he has come here himself this morning and asked permission to testify this morning so that he may return to his official duty, and he will be the first witness called. Mr. Kellogg will take the stand.

TESTIMONY OF JOHN P. KELLOGG.

JOHN P. KELLOGG, being first duly sworn, upon being examined, testified as follows:

The CHAIRMAN. Mr. Stevens will conduct the inquiry.

By Mr. STEVENS:

Q. What is your name, residence, and occupation?—A. John P. Kellogg, Waterbury, Conn. My age?

Q. No; occupation.—A. Attorney at law.

Q. How long have you been an attorney?—A. Since 1884.

Q. How long have you lived in the State of Connecticut?—A. I was born there in Waterbury.

Q. What official positions have you held and do you hold in the State of Connecticut?—A. I am assistant State's attorney for New Haven County; that is, having the powers of State attorney for the north half of the county where Waterbury practically is a county seat. The county being so large they have to divide it up. The title is assistant State's attorney, but I have Waterbury and the eight surrounding towns in my jurisdiction, and act as State's attorney.

Q. How long have you held that position?—A. Since 1897, a little over ten years.

Q. Have you been interested in political affairs in your section of the State during the last ten years?—A. Yes, sir.

Q. Have you held any office in political organizations?—A. I was on the Republican State central committee for one term. That was in, I think, 1898; whether 1896 to 1898 or from 1898 to 1900 I am not sure. And I was also chairman of the Republican town committee of Waterbury for from 1895 to 1906.

Q. You have continued all of this time your interest in political affairs?—A. Certainly. Except that I have not been since 1906 holding any office or any official position.

Q. Do you know Representative George L. Lilley, of Waterbury?—A. Yes, sir.

Q. How long have you known him?—A. I have known him between twenty-five and thirty years, I should say.

Q. What political and social relations with him during that time?—A. Exceedingly friendly.

Q. And it has continued that way to the present?—A. Up to to-day, I should say.

Q. Have you ever heard or known anything of a corporation known as the Electric Boat Company of New York?—A. Yes, sir.

Q. How long have you known such a corporation?—A. I do not know; I had known that there was a company building submarine boats for some years. In the fall of 1907 I met Mr. Frost, who had been at college with me, the class below me in college, one evening as I was driving from Waterbury to New York, and in course of our conversation he told me about his work for this company and then later asked me to come to see him some time in New York.

Q. At what time was that?—A. I should say that was September or October, 1907. I beg your pardon, 1906—September or October, 1906.

Q. What position, if you know, did Mr. Frost occupy in that company?—A. I don't know that I know. I had an impression that he was secretary and one of the managing officers.

Q. Do you know whether he was one of the managing officers of the company?—A. I so understood.

Q. Did you visit him in New York?—A. I did; yes, sir.

Q. At what place?—A. At his office.

Q. Where was that?—A. In Pine street, Hanover Bank building. I think it is No. 11 Pine street. I know it is the Hanover Bank building.

Q. Have you been retained or employed by the Electric Boat Company?—A. Yes, sir; I was retained by him when I came to his office; it was early in December.

Q. You were retained at that time?—A. Yes.

Q. What was the nature of your employment? What were you to do?—A. There were two or three different things—counsel with him in regard to matters in Connecticut generally, where he had a competing company, and had had some little trouble with the company, and also to give him any professional assistance in any way.

Q. And that was a continuing retainer and an annual retainer for your services wherever possible?—A. It was continuing, yes; not an annual. That is to say, I mean that I continued as attorney through last year and through this year.

Q. Did you know anything about their affairs, their kind of business, their methods, before you accepted this retainer?—A. Nothing at all, except in my talk with him at Greenwich.

Q. Up to the time of that conversation you had no employment or no knowledge or no connection with the company whatever?—A. None whatever.

Q. Under that employment you have represented the company in the State of Connecticut?—A. Generally, yes.

Q. Have you conducted any litigation for them?—A. No.

Q. Have they had any litigation in the State of Connecticut?—A. There is a case pending now in Fairfield County.

Q. Of what nature?—A. In the nature of a libel suit against the Lake Company.

Q. In which the Electric Boat Company is the plaintiff?—A. Yes, sir, so I understand; I have not gone down to Bridgeport and looked the case up with Mr. Frost; he talked to me in regard to that case two or three times; I was not active counsel in that case.

Q. Are you associated in any way with that case?—A. Not formally on the record.

Q. Are you connected in any way for the boat company in that case?—A. No more than in discussing the situation of that case with Mr. Frost.

Q. Have you ever visited Washington on business for the Electric Boat Company?—A. Twice.

Q. How many times?—A. Twice.

Q. When was the first time?—A. The first time was in January of last year. I could not give the exact date.

Q. January, 1907?—A. January, 1907; I could not give the exact date. I know that I came here on Monday night; I arrived here at 10 o'clock, and I left here Tuesday night at 11 o'clock. Just what time that was in January—unfortunately I did not bring my notebook.

Q. Under whose direction did you come to Washington?—A. It was in connection with my conversations with Mr. Frost.

Q. Was it by his direction that you came here?—A. I should say so, yes.

Q. What was the direction he gave you as to your employment when you came here?—A. It was following a conversation I had had with Mr. Lilley of the Naval Affairs Committee. I came here again to discuss the matter of the pending legislation with Mr. Lilley.

Q. You came here at the direction of Mr. Frost after that conversation with Mr. Lilley to discuss the matter of pending legislation with Mr. Lilley?—A. I did.

Q. Had you discussed the matter of submarine legislation previously with Mr. Lilley?—A. Yes, once at Waterbury.

Q. Before or after your employment by the Electric Boat Company?—A. After.

Q. How long after?—A. It was, as I recall it, in that same month—I think it was in the month of December, the latter part, when Mr. Lilley was home during the Christmas holidays. I went to him then and told him that I had been employed by the Electric Boat Company, and told him through whom, through Mr. Frost, and discussed with him at that time legislation with regard to submarine boats.

Q. What was the nature of your conversation? Just state it in substance.—A. In substance it was based upon the necessity for submarine boats, for the defense or secondary defense of harbors, and also considerable of the conversation, as I recall it—I am talking about things now that happened over a year ago—and as I recall it it was not only the necessity, but whether they were available, whether they were of advantage to secondary defense.

Q. What did Mr. Lilley tell you at that time as to his views or position?—A. At that time I think Mr. Lilley and I were quite in accord as to the discussion that I had with him at that time.

Q. He rather approved the necessity for submarines, did he?—A. At that time, yes, sir.

Q. That was in December, 1906?—A. 1906.

Q. Had you ever discussed the subject of submarines or submarine legislation previous to that time with Mr. Lilley?—A. Never, not to my knowledge, I should say never.

Q. Did you ever have any other conversation with him concerning submarines until you came to Washington?—A. No. He came back

to Washington, and I came down about two weeks later, two or three weeks later.

Q. That was in January, 1907?—A. January, 1907.

Q. Do you know whether the naval appropriation bill was pending then in the committee?—A. I so understood.

Q. It had not been reported from the committee?—A. As I understood.

Q. You came down here to confer with him concerning the legislation that was contemplated in that bill?—A. I did; yes, sir.

Q. When did you meet Mr. Lilley down here on that visit? When and where did you meet Mr. Lilley to discuss the matter concerning that appropriation?—A. It was the afternoon—I got here on the evening before at 10 o'clock, and that was the following afternoon, somewhere around 4 o'clock.

Q. Where did you meet him?—A. I came down here to the House. I think I came down here at noon and met him and found out when he was going back to the hotel, and I stayed here listening in the Senate and House galleries during the day, and then walked back to the Willard with him.

Q. You had conversation with him at that time concerning submarine legislation?—A. I did after I came back to his room.

Q. What was the substance of that conversation?—A. That was the substance as we had talked it over in Waterbury—the necessity and the advisability of some submarines, and further that the boat was to be selected by a competitive test. As I understood from him, he considered it a fair proposition, and I discussed it on the line of what I considered was fair and proper legislation for the country.

Q. What were Mr. Lilley's views or position at that time as stated to you?—A. As I recall it, we were in substantial accord on it.

Q. Did he express to you any objection to submarines?—A. Why, to a certain extent, that the question of whether submarines were able to perform the work that was expected of them. But as I recall it, he thought that there was sufficient good from them to warrant purchasing a certain number.

Q. He rather thought that a certain number might be advantageous to the Government?—A. That is my recollection of our conversation.

Q. Did he express any objection to the type of submarines that were represented or that your company made?—A. I think not at that time.

Q. He was fairly well satisfied with the proposition that your company advanced to him?—A. It was my understanding, it being open to competitive tests, the person to receive the appropriation, that he considered a fair and proper proposition.

Q. Did you submit to him in writing any views of yours or of your company?—A. No, sir; I did not.

Q. Did you submit to him any memoranda for the kind of legislation that you wanted?—A. I think I did at our interview in Waterbury. I do not think I did at Washington.

Q. Who drafted that memorandum?—A. I could not tell you that.

Q. Where did you get it?—A. I received it from Mr. Frost.

Q. Did Mr. Frost ask you to submit that to Mr. Lilley?—A. He told me he thought it was advisable to show Mr. Lilley that draft as showing that the company did not want anything more than was

fair; that they were willing to put their boat into competition with any other boat.

Q. Have you that memorandum or a copy of it?—A. I do not think I have. I may have it at home. I have not it with me.

Q. Do you think you have it at home with your papers?—A. It is possible that I have it.

Q. If you have it we would like very much to have you send it to us.—A. If I can find it, at all, I will be very glad to send it as soon as I return.

Q. Can you state from memory the substance of that memorandum?—A. In substance, it provided for an appropriation of dollars—that was the memorandum that I had—to be expended for submarine boats, the boat to be selected to be determined by a competitive test to be held—at a specified place.

Q. It specified the time in which the tests should be held?—A. As I recall it, it specified the time and place—the following spring, at Newport—but I have not seen that for over a year.

Q. And the appropriation was limited to be expended upon the type of boat that should prove successful at that test, was it?—A. Yes; that is the way I understood that draft.

Q. The memorandum expressed the proposition that after that competition, that the successful bidder should receive the award of the boats to be provided for by that appropriation?—A. That was my understanding.

Q. What was the attitude of Mr. Lilley as you submitted that memorandum and discussed it with him?—A. As I recall it, he said that that was a fair proposition.

Q. He expressed satisfaction with the terms of the draft then?—A. As I recall our conversation, I should say yes.

Q. Did you or he contemplate, as you discussed that memorandum, that more than one type of boat could be selected under its provisions?—A. I do not believe that subject came up.

Q. You both said that it was a fair proposition that the successful competitor should receive the award of the boat, did you?—A. As I say, so far as I was concerned myself I so understood the proposition, and I can simply say, so far as my recollection of what Mr. Lilley said, was that he considered that a fair proposition.

Q. This conversation was had at his room in the New Willard the afternoon that you reached Washington, in January, 1907?—A. Except one. . I do not think I had that draft with me, or if I had, I am sure that the time I showed it to him was the time in Waterbury.

Q. And this was the time you had that memorandum?—A. Yes; probably I showed it to him again when I came to Washington.

Q. Did you discuss it with him when you came to Washington the first time?—A. In general terms.

Q. Did he express any disapproval then?—A. Not that I recall.

Q. Did he rather intimate that the boat ought to be adopted?—A. As I recall it, he thought it should, with not too excessive appropriation. And that was my recollection of our conversation in Waterbury, that he felt in favor of expending a certain amount for submarine boats, but he felt it should be more or less limited, that is to say, as I said before, that at neither of these interviews was he, as I recall it, entirely satisfied that submarine boats were all that I set forth in

my argument before him, that is, that they were not capable of doing as much successful defense work as I claimed.

Q. Did he indicate how large an appropriation he thought ought to be made?—A. My recollection is that it was somewhere around $2,000,000.

Q. Do you recall the amount that was provided in that memorandum you had?—A. That was entirely blank; the memorandum I had the amount was blank.

Q. When you came down to Washington in January, 1907, did you come alone or was there any other person interested in submarine legislation with you?—A. No; I came alone.

Q. Did you meet here or confer here with Franklin J. Taylor—do you know him?—A. I know him very well.

Q. What is his business?—A. A brass manufacturer.

Q. Have you ever had any conversation or dealing with Mr. Franklin Taylor, of Waterbury, concerning submarine legislation?—A. In a general way I have talked with him several times. I know that he was interested in supplying in a general way supplies for the Navy, both, as I understood, for submarines and for torpedo boats and other boats, mainly in the nature of brass shells.

Q. Before or after your employment by the Electric Boat Company?—A. I should say the first time I ever talked with Mr. Taylor about it was six or eight months after I saw Mr. Lilley. That was the first talk with him; I should say it was six months ago, after the 1907 legislation.

Q. It was after this appropriation bill passed?—A. Oh, several months after that.

Q. So that you had no conversation with Mr. Taylor in January, 1907?—A. Not to my recollection; I should say no, as I recall it. The best of my judgment would be that it was a few months after that.

Q. Did you meet Mr. Taylor here concerning submarine legislation?—A. Never.

Q. Do you know whether Mr. Taylor visited Washington in connection with submarine legislation?—A. No; I do not know that. I know that he has been here with reference to naval construction a great deal.

Q. As the agent or attorney of the Electric Boat Company, have you ever had any business relations with Mr. Taylor?—A. None.

Q. Have you interested or requested Mr. Taylor to come here and assist legislation for the Electric Boat Company?—A. Not to my recollection. Wait a minute. I think I did ask him to come down to see Mr. Lilley this year.

Q. When was that?—A. I should say shortly before I came down here myself. In fact, I think I wanted him to come down here with me when I came down in January.

Q. January of what year?—A. January of this year.

Q. So that you are positive you did not come here with Mr. Taylor in January, 1907?—A. I have not been here with Mr. Taylor at any time.

Q. What other conversation did you have with Mr. Lilley in your visit here in January, 1907—any more than that once?—A. No; I went right back that night; left on the 11 o'clock train. I simply

talked with him, and then dined with him, and went to the train that night.

Q. At what place?—A. The Willard.

Q. Did you make any report to anybody concerning your interview and conversation with Mr. Lilley?—A. I am not sure. I presume I did report to Mr. Frost, although I am not sure that I did at that time.

Q. Where was Mr. Frost, do you know, at that time?—A. No, sir; I think he was here, although I do not think that I saw him.

Q. Did you report to any of the officers or officials of the Electric Boat Company that afternoon, after your conversation with Mr. Lilley?—A. No; I was with Mr. Lilley, I think, until the time for the train, as I recall it.

Q. That is all the conversation that you had with Mr. Lilley previous to and concerning the appropriation bill of the year 1907?—A. Yes, sir.

Q. As far as you recall it?—A. As far as I recall it.

Q. When next did you talk with Mr. Lilley concerning submarine matters?—A. I could not say exactly; not until January with anything definite in mind; I know we did discuss after the trials were held; I am sure I talked with him something about the success of the type of the *Octopus* boat, and I think I met him off and on; sometimes the subject would come up and sometimes it would not.

Q. Did you discuss with him occasionally during the summer, as you happened to meet him, concerning submarine matters?—A. I should say very infrequently; once in a while I would meet him and the question sometimes would come up and generally would not. Mr. Lilley was a friend of mine, and I met him more or less often.

Q. Did you notify him that you were representing the Electric Boat Company during this conversation?—A. I did the very first conversation I had with him, so that there would be no misunderstanding of my position.

Q. Did you perform any official work for the Electric Boat Company until January, 1908?—A. From that time on?

Q. Yes; between the spring of 1907 and the winter of 1908?—A. Mr. Frost sent me considerable additional literature, more data concerning the trials, full details concerning the Attorney-General's opinion, and other reports of other countries, France especially, as I recall it, on submarines. I say, off and on he sent me considerable literature during the course of the year.

Q. What did you do with that?—A. I think I have that in my files.

Q. Did you distribute it?—A. Oh, no; it was just one copy; it was for my own information.

Q. Did you confer with any other member of the Connecticut delegation at this time concerning submarine matters?—A. No, sir.

Q. Were you directed by Mr. Frost to confer with any other member of the Connecticut delegation?—A. I think not, as I recall it. The report was practically a unanimous report of the committee. I was not requested to see anyone else, or speak to anyone else, or to make any other argument with anybody else.

Q. Then your next official work in connection with this employment was January, 1908?—A. Yes, sir; except on one or two occa-

sions meeting Mr. Frost in New York to confer with him in regard to such matters.

Q. What directions did Mr. Frost give you concerning your work for the company during those several conversations that you had with him?—A. I do not think I had any further directions. I simply understood that I was to advise with him when he wished me to, and I was to assist if I could in any way.

Q. Then he gave you no other work to do other than you have stated?—A. Not to my recollection.

Q. Did you come here to Washington in January, 1908?—A. I think that was at Mr. Frost's suggestion.

Q. At what time of the month did you come?—A. I came here on the 29th of January.

Q. Did you come alone?—A. Yes, sir.

Q. When did you meet Mr. Taylor here? When did you meet Mr. Taylor concerning this?—A. I did not meet him; I asked him before I came down if he would not come down with me, and found he had other engagements; he could not come down.

Q. Did you ask him to intercede with Mr. Lilley for additional submarine legislation?—A. No, I don't think I asked him; I think in behalf of his business interests he had been talking with me; that is the only way it came up to me.

Q. Do you know whether Mr. Taylor had any contracts with the Electirc Boat Company?—A. No; that is out of my knowledge altogether.

Q. Do you know whether he had any business relations with the Electric Boat Company or with Mr. Frost or any other officials of the company?—A. No; I do not know that.

Q. Do you know whether Mr. Taylor had any business relations with the Lake Boat Company?—A. I do not know that.

Q. Did he ever indicate to you that he had any?—A. Not to my knowledge.

Q. Did you ask or request him in any way to intercede with Mr. Lilley or anybody else for additional submarine legislation?—A. No; I should say not, though I understood that he had talked frequently with Mr. Lilley, so I understood from Mr. Taylor; that he had talked a number of times with him.

Q. Was it at your request?—A. No.

Q. Did you ever seek to bring any political influence to bear on Mr. Lilley for additional submarine legislation?—A. None at all.

Q. Did you ask any newspaper man or men interested in political affairs to intercede with Mr. Lilley on behalf of additional submarine-boat legislation?—A. Never.

Q. Do you know a Mr. Ferry, of Bridgeport, a manufacturer in connection with the Bridgeport Brass Company?—A. Yes.

Q. How long have you known him?—A. I met him here at Washington.

Q. When?—A. After I met him here, while I was down here on that trip; I should say I met him here during the latter part of—I think it was the 2d of February that I saw him, 2d or 3d, I should say.

Q. You met him here?—A. Yes.

Q. At what place?—A. At the Willard.

Q. Did you have a conversation with him concerning submarine legislation?—A. Yes, sir. I had understood that the Bridgeport Brass Company had a very large amount of business, amounting to—from my understanding of it—amounting to some $200,000 a year or more of different naval work and that they were interested in manufacturnig business for submarine boats.

Q. Did you and he have a conversation with Mr. Lilley together, the three of you?—A. Not together; no, sir.

Q. Did you go with him to Mr. Lilley?—A. I think I introduced him to Mr. Lilley. I am not quite sure I did.

Q. Had you known Mr. Ferry before his visit here?—A. Only by name; I never met him before.

Q. Never met him personally up to that time?—A. Never met him personally up to that time.

Q. Have you had any correspondence or communication with him in any way concerning submarine legislation?—A. Not at all.

Q. Did you intercede with him in any way to come here concerning submarine legislation?—A. I suggested to the general manager of his company, understanding that they did a very large amount of business with the Fore River Works, that it was fair that Mr. Lilley, being one of his constituents, should know the interests which they had for a number of years in that.

Q. Who was the manager that you talked to?—A. Mr. Kingsbury.

Q. Where?—A. At Bridgeport, on the way to Washington.

A. Did you suggest to Mr. Kingsbury that he indicate that Mr. Perry would come here to confer with Mr. Lilley concerning submarine legislation?—A. That was my recollection of it; yes.

Q. Where did you take Mr. Ferry, to and introduce him to Mr. Lilley?—A. I think I introduced him in the lobby at the New Willard.

Q. What conversation did you have together at that time?—A. I told him that this was Mr. Ferry, of the Bridgeport Brass Company, who would like to talk with him, and it was arranged then that Mr. Ferry should meet him at his room here in this office building.

Q. Did you come up to the office building with Mr. Ferry?—A. No.

Q. Is that all the conversation you had with Mr. Lilley and Mr. Ferry together?—A. Yes, sir; as I recall it.

Q. What other conversation did you have with Mr. Lilley on your visit in January and February, 1908, concerning submarine legislation?—A. The only conversation I had with him concerning submarine legislation was the night before I went home. I came down here on the 29th, thinking that Mr. Lilley—I understood that Mr. Lilley was to be here on the 30th; he had been at Danbury on the 29th, and I understood he was to be here on the 30th—and I came down and reached Washington on the morning of the 30th, on the night train.

Q. How long did you stay?—A. I expected to meet Mr. Lilley then, but Mr. Lilley did not come here until some time Saturday evening, and he was busy after his arrival, so that I did not see him. The only time I had a talk with Mr. Lilley on the subject of submarine legislation was on the afternoon of Monday the 30th.

Q. That was the only time that you and Mr. Lilley got together, talked——A. *Yes, sir.*

Q. What was the subject of that conversation—where was it, first?—A. It was in his room at the Willard.

Q. What was the substance of the conversation?—A. The larger part of it was devoted to a discussion of submarine boats, their effectiveness, the necessity for them, the necessity for the Government to purchase them, the absence of the fleet, that they were a protection for the harbor, and we had a considerable at that time, detailed conversation as to the actual working and the detail of a submarine boat, and the radius of action, the method of discharging the torpedo, recent improvements in torpedoes, which I understood had been effectively tried out by Commander Davis in the head to a torpedo; that it seemed to me increased the effectiveness of submarine boats tremendously, and we discussed that at considerable length, and following that discussion—it was practically in two parts; one was on the necessity and advisability of purchasing more submarine boats. I think Mr. Lilley at that time felt that the submarines, that they were not anywhere near as effective as I claimed they were, and we had a long discussion on that point.

Q. You differed with him as to the necessity for submarines in the Navy?—A. I think we differed quite a little, except that I think he felt that it was advisable to purchase some, with some doubt in his mind as to their doing the effective work it was claimed.

Q. Did he indicate how many he thought ought to be purchased?—A. I think that he indicated—I won't be positive—I think he indicated that he was ready to stand by the Secretary of the Navy's report as a whole, and that was part of the things we discussed, was the outward defense, the battle ships, in which I urged battle ships as well as submarines.

Q. You say you urged battle ships as well as submarines?—A. That is, from a personal interest; my brother is in the Navy, and I am very much interested in matters—to urge the necessity for a large number of battle ships and also a large number of submarines on account of the trials of the boat at Newport had shown that they were speedy, to my mind, and effective, and with improvements in the torpedo that to equip the harbors with those would be a most valuable secondary defense.

Q. How many submarines did you urge should be provided?—A. I left that entirely with him. My own judgment was a large number; my argument was 30 or 40 could be used by the country very successfully and advantageously, although I had not any idea, of course, that there was to be any such number voted for.

Q. Had you received any direction from Mr. Frost or any other official of the Electric Boat Company concerning the number that ought to be provided?—A. Not at that time.

Q. Did you receive any directions from Mr. Frost or any other official of the company concerning the policy of your conversation with Mr. Lilley?—A. Not at all; I don't think we discussed that; I think that was left entirely with me to present my argument the best I could to him.

Q. How many submarines at that time did Mr. Lilley indicate he thought ought to be provided for?—A. My recollection is that he thought four; that is my recollection of the conversation.

Q. Did he express any opinion concerning the desirability of one *particular type of submarine* or another, comparing it with another *type of submarine?*—A. Yes; that is where we differed again.

Q. What was the substance of that conversation?—A. My argument was based on the bill of the year before, providing for submarines to be of a type to be selected by those competitive tests, and as I recall my understanding of that bill, it provided that the best boat should have that appropriation.

Q. Did Mr. Lilley differ from your view in his conversation with you?—A. I could not say, because we differed in this other point which might come up—that if my first premise was correct, that if a number of submarine boats was a necessity, that had to be determined upon first; following that, then it was my claim and argument that this type of boat, having broken all those records and having won out fairly and squarely, should be selected until a better boat was produced.

Q. Did he dissent from those views?—A. On those lines he did.

Q. In what way?—A. I should say that it was he thought it all still an experiment and that if better plans were submitted to the Secretary of the Navy that boats could be ordered at the lowest price, and on that we had quite a spirited argument.

Q. Did you and he discuss what had been done under the previous appropriation under the act of 1907?—A. To a little extent.

Q. What was it—what was discussed about that?—A. I think it was merely my statement that from my opinion I thought that appropriation should have been voted entirely to the purchase of the boats.

Q. And he dissented from that, did he?—A. I could not say that he did.

Q. Did he express or you express any opinion concerning that legislation as providing for only one type of boat or more than one type?—A. No; I do not think he did. I think it was mainly my protest as to what I thought had not been the proper construction of that law from a legal standpoint.

Q. Did you and he discuss the awarding of the contract under that act of 1907?—A. To a limited extent. The fact that a contract I thought had just been awarded either that day or the day before to the Lake boat.

Q. Did you discuss that with him?—A. Yes; that is what I have just said—that it did not seem to me that it was proper under that bill.

Q. You thought it was not proper?—A. I distinctly did, as a lawyer.

Q. And he thought it was proper under the terms?—A. I would not say that. As I recall it, it was merely coupled in with the other conversation; it was a protest on my part.

Q. Do you know anything about the awarding of that contract; did you have any connection with the business concerning it?—A. Not the slightest.

Q. Were you consulted in any way concerning the awarding of those contracts?—A. Not at any time.

Q. In your conversation with Mr. Ferry did you indicate the line of argument that he should adopt with Mr. Lilley?—A. I do not think I did. It was simply to have Mr. Lilley understand that his company was interested in naval affairs and submarine boats, submarine legislation, as one of his constituents.

Q. Was that the only conversation that you had with Mr. Ferry or Mr. Lilley concerning these submarine matters?—A. I think I dined with Mr. and Mrs. Ferry that night after leaving Mr. Lilley. We did discuss his conversation with Mr. Lilley that afternoon.

Q. Was it after the conversation with Mr. Ferry and Mr. Lilley?—A. After we had the conversation with each of us.

Q. Did Mr. Ferry seem disturbed about the conversation with Mr. Lilley?—A. He did not seem so to me.

Q. Did he express any dissatisfaction with the result of the conversation?—A. No; I do not think so; I do not think that he did, as I recall it.

Q. Did he indicate to you the nature of the conversation with Mr. Lilley?—A. Not very closely. As I say, it was social; Mr. and Mrs. Ferry were there, and it was in the dining room.

Q. Do you know anything about the nature of the conversation between them concerning submarines?—A. Mainly from what I have heard since this.

Q. You know nothing beyond that?—A. Nothing at all beyond that.

Q. Then the only thing you had to do with the visit of Mr. Ferry at Washington was your conversation with the manager of the company making the suggestion that somebody set forth the views of the company; was that it?—A. Yes; that was it.

Q. Now, what other conversation did you have with Mr. Lilley on your trip to Washington?—A. That was the only one; I talked with him about an hour.

Q. And that is the only conversation?—A. I went home the next day.

Q. Did you send him any communication concerning submarine matters?—A. I think I did; I know I did. The next morning I read in the Washington papers that four submarine boats were to be shipped at great expense to the Philippines, and it seemed to me that that was an especially strong argument supporting my first contention that they were valuable and a necessity, and that the Government already approved of them or it would not go to the expense of sending them to the Philippines.

Q. Have you a copy of that communication?—A. Oh, no; it was just—this was a clipping; I did not put this in the form of a communication, simply saw this article in the paper, that four submarine boats were to be shipped to the Philippines, and I think I inclosed that in an envelope, and I think I said, "This seems to bear out my argument," and left it in his box at the Willard and went home.

Q. In your conversation with Mr. Lilley that day did he express any disapproval of your conference with him?—A. He never has.

Q. Did he express any disapproval of the methods you adopted to persuade him to your point of view?—A. He never has; he has told me since this arose that there was nothing I ever said to him at any time that anyone could not say fairly to him.

Q. Did he express to you in any way his disapproval of your methods of conferring or approaching him on the subject of submarine legislation?—A. Never.

Q. You had conferred then with two manufacturers, Mr. Taylor and Mr. Ferry, concerning submarine legislation, and conferred with Mr. Lilley?—A. Yes, sir.

Q. Do you know whether you have expressed to either of them, or whether they have expressed to Mr. Lilley at your instigation, that an order might be secured by them or either of them if Mr. Lilley would favor submarine legislation?—A. I never intimated it in that form.

Q. Did you intimate to either of them, or did you call on them to intimate to Mr. Lilley that orders might be secured in case of favorable submarine legislation?—A. I never did; I understood that they had been having orders right along and would keep on having them whether he voted for it or voted against it.

Q. Did you ever receive from the officers of the Electric Boat Company any authority to promise any of these manufacturers that they should receive orders in case of favorable submarine legislation?—A. I never did; no, sir.

Q. Have you ever said to any manufacturer or person that they could receive orders from your company in case of favorable submarine legislation?—A. I never have; no, sir.

Q. Have you ever assisted any Representative in Congress in his campaign because he favored submarine legislation?—A. No, sir.

Q. Do you know whether any Representative has been assisted because he favors or has been opposed because he opposed submarine legislation?—A. Not the slightest knowledge on the subject.

Q. You have stated, so far as you can remember, the substance of your conversation with Mr. Lilley?—A. I think I have, sir.

TESTIMONY OF L. W. BUSBEY.

The CHAIRMAN. You have already been sworn; will you identify this document you have in your hand?

By Mr. STEVENS:

Q. You are clerk of the Committee on Rules?—A. I am clerk of the Committee on Rules.

Q. As such are custodian of its records?—A. Custodian of its records.

Q. Will you state what this is I hold in my hand?—A. That is a copy of hearings, Mr. Lilley's statement before the Committee on Rules on February 25, 1908.

Q. What was done with that record? Where has it been?—A. It has been in my——

Q. State what it is and where it has been.—A. The official stenographer to the committee took down all that transpired before the Committee on Rules. I directed him to make two copies, one for the committee and one for Mr. Lilley. Mr. Lilley expressed a desire for a copy. This copy was delivered to Mr. Lilley.

Q. And how did you receive it then?—A. From Mr. Lilley's hands. I placed it in Mr. Lilley's hands.

Q. And received it from Mr. Lilley?—A. Received it from Mr. Lilley.

Q. What have you done with it since?—A. Kept it in my possession, locked in my desk.

Q. It has been in your custody?—A. It has been in my custody all the time

TESTIMONY OF MR. KELLOGG—Continued.

By Mr. STEVENS:

Q. When you were here did you confer with Senator Marion Butler or Mr. McNeir concerning the affairs of the Electric Boat Company?—A. No, sir. I do not know Senator Butler. I may have

run across Mr. McNeir incidentally, but I do not think we had any particular conference.

Q. So far as you recall, you have stated the substance of the conversation with Mr. Lilley?—A. To the best of my recollection; yes, sir.

Q. Do you recall at the last conversation with Mr. Lilley his stating to you this in substance: "I told my friend that he was getting money under false pretenses; that he ought to go and tell these people that he had no control or influence over my vote on that proposition; that I was not in favor of any submarines, but if we have got to have them I would not stand for any clause. I knew that this motion of Loudenslager's was to be introduced in advance. I told him I would not stand for any motion that took the placing of these contracts out of the hands of the Naval Board or Secretary of the Navy and giving them without competition at an increased price for an old model, and that is why I want to know how these things are done." Was that the substance of the conversation?—A. I do not think that has reference to me.

Q. Do you recall any such conversation with Mr. Lilley?—A. No; he never told me anything of that sort, but I read the printed record of that, and I do not think that refers to any conversation with me.

Q. Did he intimate to you at any time that you were getting money under false pretenses, and you ought to go and tell your employers that you had no control or influence over his vote upon that proposition?—A. No, no.

Q. He expressed no such sentiment to you?—A. Never.

Q. Did you hand to him any copy of the enactment now known as the "Loudenslager amendment" that was to be proposed in the pending naval appropriation bill?—A. I had no paper this year at all.

Q. You did not submit anything?—A. No, sir.

Q. What other lawyers in Connecticut are employed by the Electric Boat Company?—A. I do not know that there are any others now. The case on which Mr. Frost has consulted me several times, the attorney of record, as I understood from Mr. Frost, was Mr. Fessenden——

Q. Who died?—A. Who died.

Q. Who succeeded him?—A. I do not know that anybody has put in a formal appearance, although, as I say, that was Mr. Fessenden's case, but there were certain features of it Mr. Frost talked upon with me at several times.

Q. Do you know of any other attorneys in Connecticut employed by the Electric Boat Company?—A. No, sir.

Q. Who was present at the time you dined with Mr. Lilley, in your visit at Washington which you spoke of?—A. Mr. and Mrs. Lilley.

Q. Nobody else?—A. No one else.

Q. In your various conversations with Mr. Lilley, in 1907 and 1908, when was the subject of the Lake type of boat first mentioned?—A. I think we mentioned at all of our conversations on the—well, on all of our conversations where we were discussing the matter, both the two conversations prior to the 1907 legislation and the one prior to this year's legislation.

Q. Did you attempt to dissuade him about favoring the purchase of the Lake type?—A. Why, not on the 1907. That was to be open to the Lake type or any other type; any boat might come into that.

Q. Did you attempt to persuade him not to interfere in favor of the Lake type?—A. I never had any talk with him about his taking any action whatever in regard to the Lake type. I was going to say that it did come up again when we were discussing the 1908 legislation, because I felt that the awarding of that contract to the Lake boat, a boat which did not exist, when the legislation had provided that the appropriation should go to the best boats—that I thought it was not, in my judgment as a lawyer—that it should not have been awarded. And, as I stated before, I think that is the way the Lake boat came up in our conversation.

Q. And you have in that way rather opposed the adoption of the Lake type to him and others, and he has sort of favored it, then; is that it?—A. Well, I know I protested against what I considered the action in awarding part of the contract on plans, and that is what we discussed. And the second part was whether it was right—conceding that submarines were a necessity—whether it was right to delay and award contracts on plans, which might or might not be successful, instead of buying a boat which had proved that it was the best boat and the best type of boats at the Newport tests.

Q. But he favored leaving that matter open and under competition?—A. He did. When I talked with him the second time he still favored competition, even competition between boats or with plans. It was all a very friendly conversation.

Q. Do you know any officers or stockholders of the Electric Boat Company outside of Mr. Frost?—A. I have met Mr. Rice.

Q. Where?—A. Here, when I was down here this last time.

Q. Have you had any directions from him concerning your action for the company?—A. None at all.

Q. Do you know any of the officials or stockholders of the Lake Boat Company?—A. No; none at all.

Q. Do you know the attorneys of the Lake Boat Company in Bridgeport?—A. No, I do not know—I know almost every attorney in Bridgeport, but I do not know who is the attorney for the Lake Boat Company.

The CHAIRMAN. Is there any other member of the committee who wishes to ask this witness any questions?

By Mr. OLMSTED:

Q. How long have you known Mr. Frost?—A. Well, sir, he was in college with me, in the class below me in college. My acquaintance with him began—I stayed back for the law school, so that I was there during the four years that he was at Yale, and he also roomed with a man who had been in my class, so that I knew him in a friendly way in college.

Q. You said you were retained by him at a meeting in New York?—A. Yes, sir.

Q. Who brought about that meeting?—A. It was following this accidental meeting in September or October, 1906.

Q. Where did you meet him?—A. At Greenwich, Conn., at the Edgewood. I was driving down from Waterbury to New York and spent a night there, and I ran across him there.

Q. You ran across Mr. Frost there?—A. Yes, sir.

Q. How long was it before you had the meeting in New York?—A. My recollection of the first meeting was September, and the meeting in New York in the early part of December.

Q. At the meeting in September was there anything said about retaining your services?—A. Why, no; just in a general way Mr. Frost said some time when I came to New York he would like to see me and talk over matters.

Q. Had you any further notice from Mr. Frost or anybody else that led you to meet him in New York?—A. I am not sure whether I had a note from him or whether it was left that I was to let him know some time when I was in New York, and if he were there I would meet him at his office.

Q. Did anybody else suggest either to you or Mr. Frost that you should visit him?—A. No, sir.

Q. It was entirely a matter between Mr. Frost and yourself?—A. Entirely.

Q. Did you know when you left Mr. Lilley at that meeting in 1907 how he was going to vote in the Naval Committee upon the submarine appropriation?—A. I did not know definitely. I knew that apparently he was in accord with me on the proposition that there was a necessity for more submarines, and that he was ready to vote for some with an open competition.

Q. In 1908, at this present session of Congress, did you know when you left him how he was going to vote on submarines?—A. No; I did not know.

Q. Were you able from what he said to form a definite idea?—A. Why, yes. I should say that my idea was that he still thought that there should be open competition between the Holland boat and Lake boat and any other boats; that it was not proper to confine it to one type of boat. That is my recollection of the impression with which I left him.

Q. That was in 1908?—A. Yes, sir.

The CHAIRMAN. Is there any other member of the committee desiring to ask any questions?

By Mr. HOWARD:

Q. You say you are a graduate of Yale?—A. Yes, sir; class of 1882.

Q. What degree?—A. A. B. or B. A.—it is so long ago since; then LL. B. afterwards in the law school.

Q. You say Mr. Frost is also a graduate of Yale?—A. In the class below me.

Q. What degree?—A. The same degree.

Q. A. B.?—A. Yes, sir.

Q. Did you threaten Mr. Lilley with political disfavor in the event he did not agree to support submarine legislation?—A. I certainly did not.

Q. As proposed by you?—A. I certainly did not.

Q. Had you ever exercised any political influence in his political promotion?—A. I have always been a very warm supporter of his in all of his campaigns.

Q. Was your influence of that character that a request from you to him in a matter of this kind would have meant coercion?—A. I don't think it was. I think that the political part of it would not make any difference at all.

Q. Did he so regard it, or was there anything that indicated the the value to be placed upon your influence—your political support?—A. Nothing in regard to any submarine legislation. The question of politics in submarine legislation never, so far as I know, entered into this thing at all. Whether it was political at all, my friendly social relations also would entitle me to a fair hearing from him.

Q. Has your political relation been affected at all since the last interview with him upon this subject?—A. Not the slightest. I am still a supporter of Mr. Lilley.

Q. For Congress?—A. Not for Congress?

Q. For some other political office?—A. For some other political office.

Q. Your zeal is unabated?—A. I have never noticed any abatement in it yet. I certainly, if he should come up as a candidate, expect to vote for him.

Q. It is true, I believe, that Mr. Lilley represents the State of Connecticut as a Congressman at large?—A. Yes, sir.

Q. So that every part of the State is among his constituency?—A. I so understand it.

Q. Do you know where the Lake Boat Corporation lives?—A. My understanding is it is at Bridgeport.

Q. In the State of Connecticut?—A. In the State of Connecticut; but that is simply an understanding. I never looked it up.

Q. Being at Bridgeport, Conn., are they constituents of Mr. Lilley's?—A. I should so consider them; yes, sir.

Q. Do you consider Mr. Lilley's interest in the Lake Boat Company, as a Member of Congress, in relation to legislation for submarines an improper interest?—A. I never have so considered it. I have never known that there was any interest that would lead me to consider it improper.

Q. Do you understand from your knowledge of Mr. Lilley's attitude whether as a matter of fact he has manifested any interest in the success of the Lake boat people as bidders for submarine contracts?—A. I never saw it in that way. I should say my last interview with him was just as I said before, that he did not believe in just one type of boat receiving the contract, whether it should be the Lake boat or any other type of boat, it should still be open.

Q. You understood Mr. Lilley's position to be not in favor of a monopoly of Government contracts by the Electric Boat Company?—A. Yes, sir; and that would give him a certain interest in the Lake boat.

Q. Let us get it concretely. Being opposed to a monopoly by the Electric boat people in Government contracts for submarine boats, do you not understand him to favor a division of these contracts with the Lake boat people?—A. I understood him to favor a division of them on the 1908 legislation or any other competitive tests, in the same way as with other boats.

Q. Who was to furnish the competitive tests?—A. Anyone who would furnish either a better boat or better plans.

Q. And that might be the Lake boat people?—A. Yes, sir; it might.

Q. Reasonably construed, under the existing conditions, wouldn't it be the Lake boat people or Berger people?—A. I think that would be a mere matter of opinion. I can not say.

Q. If as a matter of fact Mr. Lilley has sought to exert as a Member of Congress an influence with the Navy Department or with the Naval Affairs Committee in favor of, in the case of the Naval Affairs Committee, such legislation as would permit competition and, in the case of the Navy Department, a contract to a rival submarine boat concern, would you say that that was a proper exercise of his influence as a Member of Congress?—A. I do not think I ought to express an opinion as to matters of that sort. There is nothing in my dealings with Mr. Lilley or on any of these matters that I could say in the slightest—that his talk with me was in the slightest degree improper or in favor of or against anyone.

Q. Would you say that his attitude on the question, so far as you understand it, was a proper one? These people, his constituents, living in his State, personally known to him, actively competing in this and other Governments for the introduction of a type of boat?—A. As I said before, as I recall the proposition, I did not believe in it——

Q. I am not speaking of the opinion you have of the comparative merits of the boats. I merely want to know whether or not his attitude as a Member of Congress is a defensible one or a proper one?—A. So far as I have any actual knowledge of his attitude as a Member of Congress I have no criticism to make of it.

Q. If he approached the Secretary of the Navy or the Board of Naval Constructors in the Navy Department and urged upon them the adoption of a Lake boat, would you say that that was proper or improper, as a Member of Congress?—A. Why, I think that is done by a number of Members of Congress, and I do not think I should presume to criticise it.

Q. Do you see anything reprehensible in it?—A. I do not think I should be willing to say that that was reprehensible.

Q. There is a brass founder in the State of Connecticut, a man named Ferry?—A. Yes, sir.

Q. In the business of making and furnishing brasses in connection with torpedo boats?—A. I so understood; torpedo boats and submarines.

Q. He lives in the State of Connecticut?—A. Yes, sir.

Q. And is a constituent of Mr. Lilley?—A. Yes, sir.

Q. He does not make a whole submarine, but he makes essential parts of submarines?—A. Yes, sir.

Q. If he approached Mr. Lilley with a view to enlisting his interest in a branch of the industry he represented, would that be proper or improper?—A. I should consider it proper, because, as I say, it was done at my suggestion.

Q. You thought it was proper?—A. Yes, sir.

Q. You would not, then, in the event such an interview took place between Mr. Lilley and Mr. Ferry, conclude that it was necessarily or would be or should be offensive to Mr. Lilley or that that was an evidence on the part of Mr. Ferry that he was undertaking to corrupt a Representative?—A. If you put it on the ground of a conditional contract, that introduces a little different element in it. As I understand it, up to that time they had been and would continue to do business, no matter whether Mr. Lilley voted for it or not——

Q. Then you had the opinion that the Electric Boat contract, *which is a conditional* contract, not to be paid for unless it reaches

certain standards, makes it reprehensible?—A. I won't say that it is reprehensible, but I thought that that was not in accordance with the law.

Q. What would you say was the law?—A. I understood the law to read that there should be a certain amount appropriated to be devoted to the purchase of submarine boats——

Q. Let us concede that the law is as the Attorney-General of the United States says it is.—A. I will have to concede that. The only reason I have mentioned it is that I did bring that up in my conversation.

Q. Let us concede for the purposes of this question that that law is written to mean what the Attorney-General says it means. Now, the contract that was let under it by the Secretary of the Navy for the Lake torpedo boat is purely a contingent contract.—A. I understand that from the newspapers.

Q. And if Mr. Lilley wrote the Department to make that contract purely and conscientiously, is there any material difference in his conduct in that regard and Ferry's, who urged him to support submarine legislation on a contingency, and if so, what is the difference?—A. Well, I do not know that I could answer that question, because, as I say, I have not any knowledge at all in my dealings with Mr. Lilley——

Q. I now quote from Mr. Lilley: "In each case the constituent has been bribed to approach his Congressman in the matter by the promise of a profitable contract which was dependent upon the passage of the desired legislation," referring to a condition——A. That is something that I do not know anything about. Iw as not present at the interview.

Q. That is a matter of opinion based upon certain alleged conduct and based on the moral quality of the act?—A. Yes.

Q. Did you give out an interview published in a Waterbury, Conn., paper after this investigation began and after Mr. Lilley's testimony had been heard?—A. I do not really say I gave one out.

Q. Did you see one attributed to you?—A. I was going to say that the reporters came to me and asked for one, and in saying I did not give it out I mean I did not write it out and give it to some of the papers.

Q. You mean to say you were persuaded?—A. No; I meant to say that the reporters came to me and wanted to know what I had to say in regard to a dispatch that had just come. They showed me a dispatch, which said that I, as an attorney, had spoken to Mr. Lilley about submarines, and urged their adodtion as attorney of the Lake Boat Company. Now, I did, in reply to the questions of the reporters, say this: That what Mr. Lilley had said in that matter was substantially accurate; that I had, as attorney for the company, I had been to him, and further than that, that I had written Mr. Lilley and stated the entire conversation which I had with him, and further than that I did not care to say anything else.

Q. Why did you not desire to say anything else?—A. I was perfectly willing——

Q. Could you have stated anything else truthfully in that connection that could have contradicted anything that was said?—A. I do not know that I could, but I certainly dislike newspaper inter-

views, and if I can cut them I do, and I thought that I was able to cut this one.

Q. Your suggestion was not for the purpose of concealing any of the real facts?—A. No, sir. No—that reminds me. In that interview, if it is on file, I think you will find that I did put in that sentence. My first sentence was that his statement was substantially accurate, that I had nothing to conceal, and that I was perfectly willing that he should repeat every word of any conversation that I have ever had with him on the subject. Further than that I did not care to say anything.

Q. But there was nothing beyond what you have testified to here?—A. Nothing at all; no, sir.

Q. Did I understand you at the outset of your examination to say that your contract with the Electric Boat Company was a continuing or a contingent one?—A. A continuing one.

Q. Is it continuing to this day?—A. Yes, sir.

Q. Is it in any way contingent?—A. No, sir.

Q. Absolutely?—A. All that has been paid for my services.

The CHAIRMAN. Is there any other member of the committee who desires to ask any questions?

By Mr. OLMSTED:

Q. Does your compensation from the Electric Boat Company as one of its attorneys include anything to be expended by you in any way, or is it merely for your own compensation?—A. Entirely for my own compensation. Whatever I have had is entirely for myself.

Q. Your interviews with Mr. Lilley, which you have testified, do not appear to have interfered with your cordial and friendly social and political relations?—A. I should say no. I spent yesterday evening with him and dined with him last night.

Q. Then you would think that there was nothing in any proposition you made to him which ought to shock the sensibilities of a pure-minded man?—A. I certainly should say that I never said anything to him that should shock the sensibilities of any man.

By Mr. STEVENS:

Q. You testified that through your suggestion to the manager of a Bridgeport brass company that Mr. Ferry had a conversation with Mr. Lilley, and that Mr. Taylor, of Waterbury, a manufacturer, had a conversation with Mr. Lilley. I read from an extract from the Boston Herald: "In each case the constituent has been bribed to approach his Congressman in the matter by the promise of a profitable contract which was dependent upon the passage of the desired legislation." Was there anything in your relations or in your dealings with or in your statements to these two manufacturers while you were acting as agent or for the Electric Boat Company which had any suggestion of a bribe or an improper motive to these men contingent upon the legislation that was desired?—A. There certainly was nothing. To my mind there was nothing improper in any way.

Q. You had no authority, then, to authorize any contingent contract?—A. No; not the slightest.

Q. Did you make any promise of any contingent contract upon legislation?—A. I did not; no, sir.

The CHAIRMAN. Any other member of the committee who wishes to interrogate the witness further? Is there any Member of the House of Representatives present who desires to submit any interrogatories to this witness? Is there anyone else present in person or by counsel who desires to present any questions to this witness?

Mr. GORDON. My name is William D. Gordon; I live in Michigan. I came here in response to a letter from the chairman of this committee. I might state various reasons why I would like to be heard at this time, but I will not weary you. I am suffering from a severe cold, and would like to be at liberty to leave Washington as soon as be possible, and I would like to heard at this time if the committee so desire.

TESTIMONY OF WILLIAM D. GORDON.

WILLIAM D. GORDON, being first duly sworn, on being examined testified as follows:

The CHAIRMAN. Mr. Broussard, will you examine the witness?

By Mr. BROUSSARD:

Q. Will you give your name, residence, and occupation?—A. William D. Gordon. My residence is Midland, Mich. I am an attorney at law.

Q. How long have you been living in Michigan?—A. Over thirty years.

Q. Where did you reside before you moved to Michigan?—A. In Ontario.

Q. Do you come to Washington very often, Mr. Gordon?—A. Quite often; have for a number of years.

Q. In whose Congressional district do you live?—A. George A. Loud.

Q. Is Mr. Loud a member of the Naval Affairs Committee?—A. He is.

Q. How long has he been in Congress?—A. I think this is his fourth term.

Q. How long has he been on the Naval Affairs Committee?—A. During the entire time he has been in the House.

Q. Have you ever been connected with him here officially?—A. I have not, not in giving the word "officially" my own construction.

Q. Are you connected with the Electric Boat Company?—A. I am.

Q. In what capacity?—A. Attorney for the company.

Q. Do they transact any business in your State of a legal nature?—A. They have not through me; the company has not.

Q. In what does you employment consist?—A. I was retained by Mr. Frost, the vice-president of the company, two years ago.

Q. Will you fix the exact date when you were retained?—A. The 7th day of March.

Q. What year?—A. 1906. And I was retained in the city of New York. I was in New York at the time on other business and was retained by him to act for the company as its attorney and counselor in its general business.

Q. Where did you meet Mr. Frost?—A. In the city of New York.

Q. Had you known him prior to that time?—A. I had not. Prior to the 7th of March?

views, and if I can cut them I do, and I thought that I was able to cut this one.

Q. Your suggestion was not for the purpose of concealing any of the real facts?—A. No, sir. No—that reminds me. In that interview, if it is on file, I think you will find that I did put in that sentence. My first sentence was that his statement was substantially accurate, that I had nothing to conceal, and that I was perfectly willing that he should repeat every word of any conversation that I have ever had with him on the subject. Further than that I did not care to say anything.

Q. But there was nothing beyond what you have testified to here?—A. Nothing at all; no, sir.

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Q. Absolutely?—A. All that has been paid for my services.

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Q. You testified that through your suggestion to the manager of a Bridgeport brass company that Mr. Ferry had a conversation with Mr. Lilley, and that Mr. Taylor, of Waterbury, a manufacturer, had a conversation with Mr. Lilley. I read from an extract from the Boston Herald: "In each case the constituent has been bribed to approach his Congressman in the matter by the promise of a profitable contract which was dependent upon the passage of the desired legislation." Was there anything in your relations or in your dealings with or in your statements to these two manufacturers while you were acting as agent or for the Electric Boat Company which had any suggestion of a bribe or an improper motive to these men contingent upon the legislation that was desired?—A. There certainly was nothing. To my mind there was nothing improper in any way.

Q. You had no authority, then, to authorize any contingent contract?—A. No; not the slightest.

Q. Did you make any promise of any contingent contract upon legislation?—A. I did not; no, sir.

The CHAIRMAN. Any other member of the committee who wishes to interrogate the witness further? Is there any Member of the House of Representatives present who desires to submit any interrogatories to this witness? Is there anyone else present in person or by counsel who desires to present any questions to this witness?

Mr. GORDON. My name is William D. Gordon; I live in Michigan. I came here in response to a letter from the chairman of this committee. I might state various reasons why I would like to be heard at this time, but I will not weary you. I am suffering from a severe cold, and would like to be at liberty to leave Washington as soon as be possible, and I would like to heard at this time if the committee so desire.

TESTIMONY OF WILLIAM D. GORDON.

WILLIAM D. GORDON, being first duly sworn, on being examined testified as follows:

The CHAIRMAN. Mr. Broussard, will you examine the witness?

By Mr. BROUSSARD:

Q. Will you give your name, residence, and occupation?—A. William D. Gordon. My residence is Midland, Mich. I am an attorney at law.

Q. How long have you been living in Michigan?—A. Over thirty years.

Q. Where did you reside before you moved to Michigan?—A. In Ontario.

Q. Do you come to Washington very often, Mr. Gordon?—A. Quite often; have for a number of years.

Q. In whose Congressional district do you live?—A. George A. Loud.

Q. Is Mr. Loud a member of the Naval Affairs Committee?—A. He is.

Q. How long has he been in Congress?—A. I think this is his fourth term.

Q. How long has he been on the Naval Affairs Committee?—A. During the entire time he has been in the House.

Q. Have you ever been connected with him here officially?—A. I have not, not in giving the word "officially" my own construction.

Q. Are you connected with the Electric Boat Company?—A. I am.

Q. In what capacity?—A. Attorney for the company.

Q. Do they transact any business in your State of a legal nature?—A. They have not through me; the company has not.

Q. In what does you employment consist?—A. I was retained by Mr. Frost, the vice-president of the company, two years ago.

Q. Will you fix the exact date when you were retained?—A. The 7th day of March.

Q. What year?—A. 1906. And I was retained in the city of New York. I was in New York at the time on other business and was retained by him to act for the company as its attorney and counselor in its general business.

Q. Where did you meet Mr. Frost?—A. In the city of New York.

Q. Had you known him prior to that time?—A. I had not. Prior to the 7th of March?

Q. Yes.—A. Yes; a day or two.

Q. How did you come to meet him in New York; was it an appointment?—A. I met him at the University Club in New York on the 6th day of March, I think it was.

Q. Did you have any appointment to meet him there, or was that meeting a casual one?—A. I did not have an appointment to meet him.

Q. How did you come to meet him—who introduced you?—A. I was introduced to him by Mr. Johnson, his partner, Norman G. Johnson.

Q. Who is Mr. Johnson?—A. He is an attorney of New York and a partner of Mr. Frost.

Q. How did the conversation come about that resulted in your employment as attorney for the company? Relate all the circumstances.—A. My conversation with Mr. Frost——

Q. With Mr. Johnson first and then with Mr. Frost.—A. I had business with Mr. Johnson in New York City and we spent some time, I think on the 6th day of March, in discussing the business in which we were mutually interested, and I met Mr. Frost the night of the 6th and on the morning before noon of the 7th. I again met Mr. Frost at the office of Frost & Johnson and had a talk with him there, and had a further talk with him at the Holland House, where I was staying, in the city of New York, the same day.

Q. Was your employment under written or verbal contract?—A. Verbal entirely.

Q. Are you still in the employment of the company?—A. I am.

Q. Is your employment contingent on anything?—A. It was not contingent.

Q. You were employed by the year?—A. I would say no in answer to that direct question. That is, if you mean on a fixed annual salary I would say no.

Q. How are you employed?—A. That would call for a statement of the entire arrangement. If you desire that, I shall state it.

Q. Make the statement.—A. I had a talk, as I say, with Mr. Frost in the office of Frost & Johnson and at the Holland House. In that conversation Mr. Frost asked me if I knew the Assistant Secretary of the Navy, Secretary Newberry, of Michigan. I said that I did, but not intimately; that I had known him for a number of years, and Mr. Frost said that Mr. Johnson had informed him of the extensive experience I had had in politics and I think also that I knew Mr. Newberry. At any rate he made the inquiry if I did, and I answered as I have stated. He said that the company had considerable difficulty with the Department of the Navy—with the Navy Department—through some unwarranted hostility toward the company. I think he said he talked with Mr. Johnson that morning and that he had decided it would be beneficial to the company to retain me as attorney for the company to look after the general business of the company as attorney, to advise it from time to time, and to appear before the Navy Department whenever I was called upon in the interest of the company. And Mr. Frost at that time talked about retaining me, and I said to him that I was not familiar with the interests involved or the magnitude of the affairs of the Electric Boat Company, and in fact knew little or nothing about a submarine boat except what I might possibly have read in the magazines, and that I did not feel like fixing the amount of the retainer;

and in fact did not care to accept a retainer at that time until I was more familiar with the matter in hand, and further said to him I would not, under any circumstances, act for the company unless the work of the Electric Boat Company and the submarine boat itself was meritorious, and that I desired to have some time to investigate. And Mr. Frost said to me that all he asked from the Department and Congress was the square deal; that they had the best submairne boat in the world, and that at the present time they were asking Congress for legislation pertaining to the submarine boat, and that so confident were they of the merits of their boat that they courted competition, and that they were satisfied to have Congress at this session pass a measure providing for a competitive test.

I said notwithstanding that I don't know you very well and I do not know the officers of the company and would like to know more about the matter before I would accept a retainer, and would not be in a position at any rate to fix the amount of retainer either for a period of time or annually, and both were mentioned and talked of. And he finally said to me, "I would be willing to do this, to pay you $500 to-day, furnish you with printed matter, which you may read and investigate." I informed him I would have to return to Michigan that day, late in the afternoon, and then I said I would come to Washington in the near future and further investigate and determine whether I should act for the company. And Mr. Frost paid me the $500 at that time and at that time it was stated by myself to Mr. Frost, I said, "I am entirely willing to leave that matter of compensation to you, and if at any time I am dissatisfied with the compensation I will inform you and we can arrange the matter," and I did investigate, read the documents, and came on to Washington soon after.

Q. What trips of business had you made to this city or to other places in the interests of the Electric Boat Company since your employment?—A. How many days?

Q. What trips—how many of them—have you made to this city and other places?—A. I could not give you the exact number of trips I made to New York; I have made trips to New York and to Washington; I have estimated the number of days which I have devoted to their work.

Q. How many days?—A. Some one hundred and thirty-five to one hundred and fifty in the two years; about one hundred in Washington and the remainder in New York.

Q. Were any of those visits made to Washington during the pendency of proposed legislation concerning the purchase of submarine boats?—A. There were some made during the pendency of legislation and some of them were made when Congress was not in session.

Q. What expenses were incurred by you upon any of the trips or visits, the nature and character of the same, and how were they paid?—A. The expenses of my trip?

Q. Yes.—A. All paid by the Electric Boat Company.

Q. Do you know the amount of those expenses?—A. No; I do not. They were paid every trip, so that I kept no account of them. Invariably Mr. Frost would pay me in either currency or give me a check. I don't think I made a trip at all for which he did not pay the expenses at the time.

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Q. Were you ever a candidate for Congress in your district?—A. Not in that sense, I never was. My name has been mentioned by my friends as a candidate for Congress as early as 1896, and periodically since then. It was mentioned for governor of the State, lieutenant-governor, and all that kind of thing.

Q. You have never been a candidate at all?—A. No, sir; I never have.

Q. Have you had any correspondence with any member of the Naval Affairs Committee with reference to your candidacy for Congress?—A. I never have.

Q. Did you ever agree, directly or indirectly, to repair from any candidacy for Congress or any other office if a member of Congress would undertake to support legislation favorable to the Electric Boat Company?—A. I have not.

Q. You have already testified that your salary or fees as attorney were not dependent upon any contingency.—A. They were not.

Q. With regard to legislation?—A. They were not.

The CHAIRMAN. Does any other member of the committee desire to ask the witness any question?

By Mr. STEVENS:

Q. You are acquainted with Mr. Loud?—A. I am.

Q. Were you directed by the officers of the Electric Boat Company to hold conferences with him concerning submarine legislation as a part of your employment?—A. I was never directed or requested, either.

Q. Was it intimated to you by the officials of the boat company, directly or indirectly, that as a part of your employment you should confer with Mr. Loud or friends of his should confer with him concerning submarine legislation?—A. It was not.

Q. What was the general direction of the employment given to you by the officials of the boat company?—A. Well, as I said before, in the conversation at New York Mr. Frost claimed that the company had more or less litigation and that he had learned that I had had an active practice in the law, and, if you will permit me to say, I was then United States district attorney of Detroit, and had been for about eight years, and that I had held several prominent political positions in the State, and he thought with my experience as a lawyer I could be helpful to the company; that there was some antagonism existing in the Navy Department that ought not to exist, and he mentioned the fact that Mr. Newberry was from Michigan and that I could present matters to Mr. Newberry from time to time and to the Secretary of the Navy himself in the interest of the company and that it might be beneficial to the company. He also said that they would require me to come to New York or to Washington at any time upon short notice and in response to a telegram and said that I might be required to appear for them in the State or rather in the Federal courts, perhaps both.

Q. Have you appeared for them?—A. I have not.

Q. Have you been concerned in any litigation of theirs?—A. Nothing in court.

Q. Have you an acquaintance with Assistant Secretary Newberry?—A. I have.

Q. How long have you known him?—A. I have known Mr. Newberry, I think, for about—oh, twelve years, I should say.

Q. Did you suggest to Mr. Frost or Mr. Frost suggest to you that you knew Mr. Newberry?—A. He asked me if I did.

Q. What did you tell him?—A. I told him I did, but not intimately.

Q. Did he or any other official of the Electric Boat Company indicate to you by direction or otherwise that it was within your employment to confer and present matters of theirs to Mr. Newberry and the Navy Department?—A. Anyone other than Mr. Frost?

Q. Yes.—A. No one.

Q. Did Mr. Frost ask you that you present these matters to the Navy Department?—A. He requested I should do so from time to time.

Q. Have you done that?—A. I did.

Q. How many times?—A. I should say five or six times, and perhaps more.

Q. When?—A. During both years.

Q. Was it indicated to you by Mr. Frost or any other official of the Electric Boat Company that you should appear before committees of Congress or confer with Members of Congress concerning submarine legislation?—A. On the contrary, I told Mr. Frost that I did not care to do it; at the time he did not ask me to do it, as I remember. I think I volunteered the statement that I did not care to do anything that might be regarded as lobbying.

Q. We want that clear. You said to him that you declined to appear before Congress or any Members of Congress concerning submarine legislation?—A. I don't know that I declined; I would not put it in just that way.

Q. What did you say to him on that subject?—A. My recollection is that I said to him this: He said what the company would require me to do and sometime during the conversation I said to him I would not do, or did not care to do, anything that might be regarded as lobbying; that I had never done anything of that kind. That is, as I recollect it, I can not remember the conversation in detail.

Q. Have you discussed these matters of submarine legislation with Congressman Loud?—A. Have I discussed the subject with him in relation to submarine legislation?

Q. Yes.—A. I would say no in answer to that question.

Q. Have you talked with him about it?—A. I have.

Q. Within the last two years?—A. I have.

Q. Have you presented the view of the Electric Boat Company to Mr. Loud?—A. I have not.

Q. Did you seek to influence him by presenting views for the Electric Boat Company in the last two years?—A. I have not.

Q. Have you taken any part in political campaigns with a view to influencing Mr. Loud to be friendly to the Electric Boat Company during the last two years?—A. I have not. On the contrary, I have opposed Mr. Loud, since I have been retained, in a political way.

Q. Are your relations friendly?—A. That is, not personally; I did not oppose him personally. I would like to explain that if you will give me permission.

Q. Politically?—A. Opposed some of his political measures. I would like to explain that, so that there may be no misunderstanding, if you desire.

Q. So that the political situation in your district is such that the faction that you belong to is rather in conflict with that that he belongs to?—A. No; that is not proper.

Q. What is the situation then?—A. I understand, a witness has been subpœnaed by this committee named Frank L. Edinboro, of Bay City. Mr. Edinboro, soon after Congressman Loud was first elected, was appointed private secretary to Congressman Loud and came here to Washington with him.

Q. In what Congress?—A. The first session Colonel Loud took his seat. I can not give you the name of the Congress offhand. This is the fourth term, I think, and Mr. Edinboro remained here as such private secretary to Congressman Loud until sometime in the year 1906. At that time Mr. Edinboro became a candidate for State senator in the district in which I resided. Congressman Loud does not reside in that district. It is the district of Midland, Bay, and Arenac. Congressman Loud lives in Iosco County, some 60 miles from where I live. Mr. Edinboro became a candidate for State senator. In the primary Colonel Loud and his friends, or a large majority of his friends, rather, supported Mr. Edinboro for State senator, and it was generally understood in the district that Colonel Loud and his friends were anxious to have Mr. Edinboro nominated. Some of Mr. Edinboro's friends and Mr. Edinboro himself and some of Colonel Loud's friends urged me to support Mr. Edinboro. I declined to support Mr. Edinboro and, on the contrary, opposed him actively in the primaries, so that in that way I say I have opposed Colonel Loud's desires politically.

Q. Was that political action on your part dictated or indicated by your employment by the Electric Boat Company?—A. Not at all; it had not the remotest connection with it.

Q. Has any of your political work in Michigan been indicated or directed by your employment with the Electric Boat Company?—A. Not in the slightest degree.

Q. Do you know anything about the political work or action of the Electric Boat Company or of Mr. Frost or of Mr. Rice or of attorneys, or any of the officials of the company?—A. In any locality, do you refer to?

Q. Yes.—A. I do not.

Q. Michigan or anywhere?—A. I do not.

Q. Do you know whether they have interfered in Michigan in any political way in Mr. Loud's district or the district of any other man who is a Member of Congress?—A. I know nothing at all about it.

Q. Have they ever had conversations with you or given you any directions to interfere in any political contest concerning Representatives in Congress?—A. They have not.

Q. Do you know whether they have assisted any Member of Congress or assisted in defeating any Member of Congress who was interested on one side or the other in submarine legislation?—A. I never heard anything of the sort until this investigation; on the contrary, I never saw anything in their conduct or heard anything said by any member of the company that was other than honorable and upright and straightforward.

Q. What other attorneys do you know of the Electric Boat Company?—A. Do you refer to the time prior to the beginning of this investigation?

Q. During the time——A. I met several since this investigation commenced.

Q. Who are they?—A. Before the investigation commenced

Q. During the whole time of your connection with the company what officers, if any, have been connected with it?—A. Mr. Johnson.

Q. Living where?—A. New York. Mr. McNair.

Q. Living where?—A. Washington. Mr. Littleton and Mr. Lindsay.

Q. Do you know of any others?—A. Know if there are attorneys for the company?

Q. Do you not know of any other attorneys connected with the Electric Boat Company?—A. I do not. That is, I have not come in contact with any as attorney for the company. I have heard that Senator Butler was attorney for the company since the investigation commenced.

Q. You have not conferred with him?—A. I have not. I have met him.

Q. Have you not heard of any other attorneys in any place or places of the United States connected with the Electric Boat Company?—A. Mr. Kellogg.

Q. You have met Mr. Kellogg?—A. Oh, yes; never met him until two months ago.

Q. Where did you meet him?—A. Willard Hotel, the New Willard.

Q. On business connected with the Electric Boat Company?—A. No; I had no business with him at all.

Q. Did you confer with Mr. Kellogg and other attorneys of the Electric Boat Company at that time concerning the business of the company?—A. I did not.

Q. Have you any other professional business or personal business that takes you here to Washington, outside of your connection with the Electric Boat Company?—A. Not during the two years, I have not. I have had other business, but not during the two years.

Q. Have you any other business that takes you before the Navy Department?—A. I have not.

Q. Have you any other business that takes you before Congress or any of its committees?—A. I have not, not during the two years.

The CHAIRMAN. Does any other member of the committee desire to ask the witness any question?

By Mr. OLMSTED:

Q. Have you ever appeared before any committee of Congress?—A. I have not.

Q. Do you know of any improper conduct, improper or corrupt conduct, on the part of the Electric Boat Company or any of its officers, agents, or employees, in relation to any Member of Congress?—A. I do not.

Q. Or any relation to any legislation or proposed legislation?—A. I do not.

Q. Did you appear before the Navy Department or file any brief or take any part at all in the discussion which led to the reference of the act of 1907 by the Secretary of the Navy to the Attorney-General?—A. I might say that I did not take any part in anything that led to the reference of it, but I took quite an active part in behalf of the company after it had been referred.

Q. What part did you take?—A. I appeared before the Navy Department several times in the interest of the company, and I spent a week here taking an unimportant part, perhaps, in the preparation of a brief for the Secretary of the Navy.

Q. When was the opinion referred to the Attorney-General?—A. Offhand, I should say in July.

Q. July, 1907?—A. Yes.

Q. Do you know at whose suggestion or request it was referred to the Attorney-General?—A. Do I know or was I informed? I was informed it was at the request of the attorney of the Lake Boat Company.

Q. What attorney?—A. Ex-Senator Thurston.

Q. Personally, you have no knowledge upon that subject?—A. No; but I was so informed at the time by several, I do not remember who now.

Q. You say you called at the Department several times in reference to that matter?—A. Yes, sir.

Q. Did you there meet or come in contact with the attorney of any other boat company?—A. Not to my knowledge.

The CHAIRMAN. Does any other member of the committee desire to ask the witness any question?

By Mr. HOWARD:

Q. Will you again tell us, please, as near as possible, the language of all the representations that you made at the Navy Department, to what officials in the Navy Department, and specify the character of the representations that you made.—A. I will say this by way of preface: I think once or twice Mr. Frost asked me to appear before the Secretary of the Navy himself and upon inquiry we learned that he was absent, so that upon all occasions I appeared before the Assistant Secretary of the Navy in that period and no one else.

Q. Now, then, specifically, what is the character of representation you made?—A. In a general way.

Q. What about?—A. I appeared before Mr. Newberry and informed him I was attorney for the Electric Boat Company; in fact I had called upon him just a few weeks before to present my respects, and I went in and informed him at once that I came upon business and represented the Electric Boat Company, and, as I say, at that time I had read the documents and familiarized myself with them, and knew more about the details then than I do now, perhaps, and I presume Mr. Newberry knew more about submarine boats than I did, so that I did not go very much into detail, but I did take the position that I thought was an important one in behalf of the company, and it was this, that there was no rivalry between the battle ship and the submarine torpedo boats; that they were distinct types of naval weapons; that a large appropriation in favor of battle ships would not mean no appropriation or a small appropriation for submarines; that a large appropriation for submarines would in no way affect the size of the appropriation for battle ships; that a submarine torpedo boat was an effective naval weapon for coast and harbor defense, and that it ought to in time take the place of fixed coast defenses, and so save the United States Government large sums annually, and then I took up the history of the Electric Boat Company and the Holland Boat Company and demonstrated, or under-

took to in my feeble way, that this company had been for years expending large sums of money in the employment of experts to develop the submarine torpedo boat, and that the company in my opinion was making one of the best, if not the best, torpedo boats in the world. That foreign governments—the English Government and the French Government—had made large appropriations for and had constructed large numbers of submarine torpedo boats, and that our Government ought to encourage this home company that was spending large sums of money annually on them. I think I said one time to Mr. Newberry about $75,000, in paying experts to develop submarine boats, working in the interest of the Government, and that there ought to be no hostility or antagonism on the part of the Navy Department toward submarines, and on the other hand the submarine and the battle ship should go along hand in hand and as effective naval weapons. Generally that was the tenor.

Q. When you were making these representations to the Assistant Secretary of the Navy, what specific legislative proposition was either pending in Congress, or what specific administration proposition was pending in the Navy Department?

[From the Bridgeport (Conn.) Evening Post, April 1, 1905.]

Simon Lake's appeal to President Roosevelt—Bridgeport inventor asks him to cancel certain Holland submarine-boat contracts and to enforce the statutory and criminal law of the United States.

BRIDGEPORT, CONN., *March 31, 1905.*

President THEODORE ROOSEVELT,
White House, Washington, D. C.

SIR: I, J. C. Lake, for the sake of my son, Simon Lake—an American inventor of submarine boats—respectfully, openly appeal to you to order that certain contracts be canceled for Holland submarine boats because said contracts were unlawfully made and to cause the statutory and criminal laws of the United States to be strictly enforced.

COMPETITION UNLAWFULLY ELIMINATED.

Competition between the Lake and Holland types of submarines has been unlawfully eliminated and a contract made for Holland boats in open violation of the mandate of Congress after debate and positive vote, and Simon Lake has been deprived of lawful rights guaranteed by Congress after a public petition by Simon Lake.

By a vote of 45 to 106 Congress refused to eliminate competition from the 1905 submarine law, and the Navy Department has eliminated said competition against the protest of Simon Lake.

GOVERNMENT PATENT PIRATING.

The Navy Department, after notice from Simon Lake, deliberately contracted with the Holland people to furnish the Government certain Lake type features in submarines which the Government has bodily and specifically appropriated to its own use and that of the Holland people without any compensation to Simon Lake.

Investigation will show you that it is a most flagrant case of brutal patent pirating by the Government which would be called highway robbery if tangible property were thus seized by individuals.

For certain officials to withhold from Simon Lake lawful competitive trials—drive him from America, steal his submarine features, seize his lawful property, and defy his lawful rights for competition—is a most censurable proceeding and it demands your earnest and immediate attention and minute investigation.

COMPETITIVE LAW VIOLATED IN OPINION OF GOVERNMENT OFFICIALS.

To briefly convince you that the competitive law has been grossly violated I refer you to the opinions of the Government's own officials, but after reading the law, you will not need any person's opinion but your own to establish the open violation.

SUBMARINE LAW FOR 1905.

"The Secretary of the Navy is hereby authorized, in his discretion, to contract for or purchase subsurface or submarine torpedo boats in the aggregate of but not exceeding eight hundred and fifty thousand dollars: *Provided*, That prior to said purchase or contract for said boats any American inventor or owner of a subsurface or submarine torpedo boat may give reasonable notice and have his, her, or its subsurface or submarine torpedo boat tested by comparison or competition, or both, with a Government subsurface or submarine torpedo boat or any private competitor, provided there be any such, and thereupon the board appointed for conducting such tests shall report the result of said competition or comparison, together with its recommendations, to the Secretary of the Navy, who may purchase or contract for subsurface or submarine torpedo boats in a manner that will best advance the interests of the United States in torpedo or submarine warfare: *And provided further*, That before any subsurface or submarine torpedo boat is purchased or contracted for it shall be accepted by the Navy Department as fulfilling all reasonable requirements for submarine warfare and shall have been fully tested to the satisfaction of the Secretary of the Navy. To carry out the purpose aforesaid the sum of eight hundred and fifty thousand dollars is hereby appropriated out of any money in the Treasury not otherwise appropriated; and to make up the sum of eight hundred and fifty thousand dollars, the sum of five hundred thousand dollars carried, or such part thereof as may remain unexpended, and authorized in the naval appropriation act, approved March third, nineteen hundred and three, is hereby reappropriated."

Passing upon the competitive language of the 1904 submarine law, which is the same as that of the 1905 act in the competitive features, the Board on Construction composed of Rear-Admirals O'Neil, Melville, and Bowles, said:

"The Lake Torpedo Company is, in view of its application, entitled to have its request granted for a competitive test between its submarine boat *Protector* with some Government submarine." (Naval Affairs Committee Document 75, p. 669.)

On June 28, 1904, Secretary Moody and the now Attorney-General of the United States said before the House Naval Committee that he would not have authority to purchase submarines without trials, and that the Holland people had declined a competitive trial.

Passing upon the 1905 competitive submarine law, Judge-Advocate-General S. W. B. Diehl stated that the law required a proper test of the Lake boat before any submarine boats were purchased under the 1905 act. (Doc. 75, 767.)

However, this same judge, after the Lake people had unqualifiedly demanded competition with a Government submarine of the Holland type (Doc. 75, 714–716) gave another opinion that the Secretary of the Navy could purchase Holland's, because "the Navy Department, having sought by every means in its power to bring about competitive trials between rival builders and not being able to do so has, in my opinion, authority under the act to adopt the other method specified and accept a test by comparison." (Doc. 75, 721.)

The judge's attention could not have been called to the act, which clearly provided that prior to the expenditure of the $850,000 "any American inventor or owner of a subsurface or submarine torpedo boat may give reasonable notice and have his, her, or its subsurface or submarine torpedo boat tested by comparison or competition, or both, with a Government subsurface or submarine torpedo boat or any private competitor, provided there be any such"—to the fact that Simon Lake had on the very first day that the 1905 act became effective demanded competition with a Government submarine, and that Simon Lake had asked the Secretary to withdraw his refusal to proceed with the trials of the Simon Lake X unless Simon Lake accept a trial alone and not in competition.

The Lake people had waited for months for the rival to compete under the 1904 act; the Lake people alone gave notice under the 1905 act, built the Simon Lake X, and insisted upon trial with a Government submarine.

In view of the plain language of the law that any American may have (not that the Department may give) competition with a Government submarine, the judge's premises are not sound when he states that the Department had exhausted every means to bring the rival builders together and his opinion can not stand judicial inspection because the law plainly provides that the rival types—not builders—should be brought together in competition.

HOLLAND CONTRACT IN SPITE OF GOVERNMENT'S LEGAL OPINION.

In view of the plain law and the facts it is painfully apparent that the Departmen has openly violated the mandate of Congress and eliminated competition and given a contract to the Holland people in spite of the opinions of its own officers and defiance

of a law which needs no construction to understand its meaning and purpose—competition.

The 1905 submarine law went into effect July 1, 1904, according to Attorney-General Moody. (Secretary Morton's hearing, 63.)

Since that time there has been no test or comparison of any submarines under the 1905 act, and the act of the Navy Department in contracting for Holland before proper consideration of the Lake submarine in competition, or at least comparison, is absolutely null and void.

The Department has absolutely no legal power to restrict the full effect of the 1905 competitive law, and the executive branch of the Government must give full force and effect to all the clauses of the act and obey the mandate of Congress, which debated the very question of competition and voted decisively to have competition in spite of the Holland influences to the contrary.

The President can but order the cancellation of these unlawful Holland contracts and enforce competition under the law, if the executive branch of the Government is to properly exercise its functions without the aid of the judicial and legislative branches in giving to all citizens just administration of plain laws.

A FEW SALIENT SUBMARINE FACTS.

I write very briefly of a few salient facts and quote from Document 75, Naval Affairs Committee. House of Representatives, which is hereto attached.

The scandalous submarine affairs have been the growth of some time, and a careful reading is necessary to fully appreciate a situation which is a very serious one for the Government, which is about to lose what the United States Army has declared to be "the nearest approach to absolute protection known"—the Lake submarine.

On December 11, 1902, Simon Lake petitioned Congress for both competition and comparison between his submarine and one of the Holland type, and the language of his petition became the language of the United States submarine laws of 1904 and 1905.

PERJURER AT LIBERTY AND UNTRIED.

The Holland people opposed Simon Lake's attempt for competition, and in February, 1903, Congress investigated the Quigg-Doblin bribery charges. The Congressional investigation committee reported, through Congressman Taylor, now a Federal judge—"A witness, sworn by the chairman, as in this case, who states any material matter which he does not believe to be true, before a committee of the House conducting an investigation under authority of the House, commits perjury, and is liable to punishment therefor under section 5392." "In view of the foregoing, we recommend that the clerk of the committee be directed to certify to the Attorney-General of the United States a copy of the testimony taken at the hearing with a request that he take such action on the law as the facts warrant."

Nothing has been done by the Attorney-General, and to-day there is untried and at liberty Philip Doblin, who is a confessed perjurer under oath on the official records of Congress. The complete clearing of the submarine affairs of the United States demands the enforcement of unquestioned criminal law as to perjury and a telegraphic order for Doblin's immediate arrest is necessary to prevent his escape from justice.

The conviction of Philip Doblin will disclose other submarine matters which the public order and justice demand.

HOLLAND PEOPLE DID NOT GET CONSIDERATION.

After this bribery investigation, the Holland people did not get consideration from Congress, but on March 3, 1903, Congress passed Simon Lake's petition for competition between submarines in the very language of his petition.

On June 1, 1903, Simon Lake asked for competition with a Government submarine, and presented a tentative schedule of proper tests. (Doc. 75, 665.)

CONSTRUCTION BOARD SAID LAKE ENTITLED TO COMPETITION.

The Board of Construction, consisting of Rear-Admirals O'Neil, Melville, and Bowles, indorsed the Lake request for competition, saying—

"The Lake Torpedo Boat Company is, in view of its application, entitled to have its request granted for a competitive test between its submarine boat *Protector* with some Government submarine boat"—"the general requirements or features which should be considered in all submarine boats are fairly stated on the top of page 3 of the within letter." (Lake's letter of June 1, 1903, Doc. 75, 675.)

Secretary Moody, after the Holland people had offered their *Fulton* on July 8, 1903, ordered that the *Fulton* and *Protector* be tried in competition together (Doc. 75, 735) and each compared with a Government submarine.

HOLLAND DELAYS.

The Holland people then began a series of letters from time to time explaining why their *Fulton* was not ready for trial, although President Rice, of the Holland Company, had testified before Congress in 1902 that they were ready for Lake at any time and the *Fulton* was in commission in 1902.

Simon Lake went with his Congressman, Hon. E. J. Hill, to Secretary Moody and insisted upon competition with a Government submarine, but in vain.

President Train, of the board, stated to Secretary, "It is perfectly useless. I am ready to admit now that the *Protector* outclasses anything that the Government has." (Cong. Rec., 1904, p. 2539.)

On November 14, 1903, Captain Lake requested—in vain—an opportunity to demonstrate in competition the endurance of the gasoline engines in a prolonged run at sea and the ability to operate in rough seas. (Doc. 75, 680.)

The Construction Board had stated the request to be fair, but Constructor Woodward manipulated the correspondence, and it is a fact that reports on file in the Department show that the Government Hollands can only be used to train crews in the smoothest of seas.

The Lake submarine alone can run in all seas with safety, but the Government—Woodward—would not permit seagoing qualities to be shown officially.

On November 16, 1903, the *Protector* broke her reversing gear at sea in a gale towing a sloop to Newport, where she arrived on the 17th under one screw. No Holland boat was there, however, nor was a Government submarine ready for competition.

However, on November 18, 1903, the Holland people wrote the Department:

HOLLAND ABSENCE OF COMPETITION DODGE.

"It being our understanding that the unavoidable delay in preparing her (*Fulton*) for trial does not deprive us of our rights to a trial in 'competition' or by 'comparison, since the terms of the act may be complied with in the absence of a direct 'competitive test' by subjecting all competing boats to the same trials for 'comparison' with the Government boats."

This absence of competition proposition should be kept constantly in mind as it is the only rational explanation of demanding that Captain Lake sign a statement to accept a trial of his boat alone as final; the fact that the *Fulton* was in commission in 1902; that the Holland people explained delays because she was being improved, etc., and the fact that the *Fulton* made less speed than any Government submarine and failed to hit the target in all shots in trials, should be borne in mind.

On November 30, 1903, Simon Lake again wrote the Department demanding additions to the schedule of trials (Doc. 75, 634), such as endurance run at sea of 100 miles and showing the exclusive Lake type features, which the board of construction had said were fairly stated by Captain Lake, in the June 1st letter, as proper requirements.

WOODWARD STULTIFIED BOARD

Nevertheless, upon the instance of Constructor Woodward, the Department refused what the board on construction had ordered and stultified the inspection board in saying that the trials were not to bring into prominence the possession of some patented features of design that were the exclusive property of one contestant—Lake. (Doc. 75, 682.)

Congress wanted the best submarine and provided competition to get it—Constructor Woodward, in spite of the orders of the board on construction that gave him official existence in submarine affairs, deliberately narrowed down the schedule against the protest of Captain Lake to the weak possibilities of the Holland type, which reports on file show to be confined to smooth-water work because its crews can not be drilled in rough seas.

The General Board of the Navy should consider this Woodward schedule of tests because the Government can not get the best when the Department officially refuses to have the hardest tests at sea, where submarines must work in time of war, if they are to be of any practical value.

Simply because one submarine can not operate successfully at sea is no military reason why Captain Lake should be denied an opportunity to demonstrate for consideration in competition his exclusive seagoing submarine.

SERIOUS MILITARY AND CIVIC CONSIDERATION.

The fact is notorious that Captain Lake's type of submarine is alone a seagoing *submarine and Woodward's acts in preventing the United States Navy to get the best submarine under the laws of Congress is a matter of serious military and civic consideration that demands minute investigation by the General Board.*

On January 11, 1904, the *Protector* was at Newport for tests, Captain Lake called the inspection board's attention by letter to the abnormal slip of the new screws of certain pitches and speeds progressively, making the speeds way below the proper resultant of the power of the engines and stated that new screws had been designed based upon the findings of these performances.

Captain Lake said that new screws would require immaterial modifications of the rudders. Attention was called to contemplated patented improvements in storage batteries. Captain Lake said he would make these changes if the Government wanted craft after trials. (Doc. 75, 690.

Bear this letter in mind, as Constructor Woodward uses it as a basis to defame the *Protector* in the *Fulton* report, which he so fixed that his defamation went abroad for publication in spite of Department orders to the contrary.

LAKE PROTECTOR SUCCESSFULLY OPERATES BEFORE PRESIDENT ROOSEVELT.

The *Protector* had successfully operated, at this time for months, while waiting for competitive trials with the *Fulton* and had demonstrated her value with safety and ease, having been seen by Secretary Moody and yourself and family and was to your own personal observation in no way deserving of the malicious defamation of Woodward in the *Fulton* report, that the *Protector* was defective and the defects affected her safety.

NO ATTENTION PAID TO REQUEST FOR COMPETITION.

No attention was paid to Captain Lake's request for competition and neither a *Holland* nor a Government *Holland* was at Newport to compete on January 11, 1904.

On January 11, 1904, a start was made to try the *Protector* alone. Captain Cable of the Holland Company, arrived. Naval Constructor Woodward, of the board insisted upon Captain Lake signing a statement that he would accept this trial as final. Captain Lake replied, "Let us go along with the tests; I want to send for my attorney."

CAPTAIN LAKE INSISTED UPON AN IMMEDIATE TRIAL AND WOODWARD DEPARTED.

Captain Lake's counsel, Governor Voorhees, arrived in the morning. When the governor came into the hotel Woodward took his grip and departed without words of any kind.

The previous night Woodward had had some words with Captain Train about Lake signing this statement that Woodward demanded. The waters the morning Woodward so abruptly left, after Captain Lake refused to sign statement and insisted upon immediate trial, were free from ice, and so continued for four days.

NEAREST APPROACH TO ABSOLUTE PROTECTION KNOWN.

On January 19, 1904, in the same waters that Woodward soon designated to Secretary Moody as too icy for tests, the United States Army board on submarine defense tested the *Protector* and reported her "the nearest approach to absolute protection now known" and believed her to be "superior to the *Holland*."

On January 16, 1904, Woodward, through the Board, reported to the Secretary of the Navy, "The Board believed that it would not be possible to properly try this vessel for several weeks, as it will require at least that time in order to render the waters where the trial is to be held both within the bay and in the neighborhood of Block Island entirely free from ice." Note that the Army Board tested the *Protector* in the same icy waters just three days after the Woodward "several weeks letter."

In the Woodward "icy letter" of January 16, 1904, Woodward said that Captain Lake requested an immediate trial in spite of "defects" and recommended that Lake be required to sign the statement he demanded, namely, in effect, that Lake agree to accept the trial of his boat alone as final.

Now recall the Holland proposition of November 18, 1903, "since the terms of the act may be complied with in the absence of direct 'competitive' test by subjecting all competing boats to the same trials for 'comparison' with the Government boats."

It was absolutely necessary to have Captain Lake agree to accept as final a test alone to carry out the Holland proposition which Woodward insisted on, even to going away and stopping the trials and not letting Captain Lake's attorney appear.

Remembering that Woodward through the Board had restricted Simon Lake to not showing the seagoing qualities which the Lake type alone possessed and that Woodward had limited the official programme to the narrow possibilities of the Holland boat.

The conclusion is irresistible that Woodward was but trying to put into effect a scheme to force Captain Lake to try his submarine alone and then let the Fulton come along and be tried alone—*not in competition*—and then let Woodward compare the

Lake and Holland submarines on paper—an absolutely tricky dodge of competition that Congress demanded and which Congressman Roberts told Congressman Hill the Lake people would never get.

HOLLAND DECLINE A TEST.

The Secretary offered the Holland people a Government *Holland* to compete against the *Protector*.

On January 25, 1904, Secretary Moody testified before the Naval Committee "The Holland people have declined a test. We are going on with the test of the Lake boat which is now at Newport. The Board of Inspection, I am informed, will conduct that test just as soon as the ice will permit. There have been voluminous reports upon the actions of the submarine boats which we have already. They have been called for by the Senate and I have been advised that public interests would not permit their being published."

Bear this in mind because Woodward states that Secretary Moody gave his permission to give the Holland people his defamation of the Lake *Protector* in the Fulton report, which was published abroad.

Recall that the ice did not prevent the Army Board from trying the *Protector* just six days before, January 19, 1904, and that Secretary Moody evidently thought that the *Protector* was going to be tested and that ice alone prevented.

CONGRESSMAN ROBERTS BEFORE NAVAL COMMITTEE.

In this same hearing of January 25, 1904, occurred:

Mr. ROBERTS. There is a rumor that the Lake people have admitted that there are serious defects in their boat; have you anything on record?

Mr. MOODY. All I have heard about the Lake people is very favorable.

Mr. Roberts had the letter that Lake had written the Board on January 11 and which letter Woodward had taken.

Although Secretary Moody could not give the Senate any information on submarines, this Lake letter was afterwards used in full, in vain, in the Senate debate on the fortification bill where the Holland people tried to kill the Lake provision.

SECRETARY MOODY'S TESTIMONY CHANGED.

On page 505 of Mr. Moody's hearing of January 25, appears:

Mr. ROBERTS. "You could not go out and purchase a boat until the boat had a test?

Mr. MOODY. "I expect inside of ten days to have such a test."

Mr. ROBERTS. "Suppose they do not; suppose they keep hanging back, and say, 'I am not ready for test.' They can keep that up for fifty years."

Mr. MOODY. "No, they can not; the act provides only that prior to the purchase any American inventor or owner may give notice that he wants his boat tested. He is not obliged to give notice. I have given all American inventors a chance."

Mr. ROBERTS. "And if they do not come, will you have authority to buy without trial?"

Mr. MOODY. "No, sir; I do not construe it so."

Get the full meaning of the situation. Secretary Moody had testified that the Holland people had declined a test; that the Lake boat would be tested in a few days; that he had given the Holland a chance; that he could not buy without a trial—all of which meant that the Lake people would get all of the appropriation.

Congressman Roberts went down to the Department and what happened he and Secretary Moody can best tell you, Mr. President.

It is a fact that when the minutes of Secretary Moody's hearing came back from the Department to the committee, the "No" was changed to "Yes" and the "Do not" stricken out and the printed hearing appears, "Yes, sir; I construe it so." Absolutely changing the meaning of what the Secretary did say and relieving the Holland people from a very embarrassing position of not being able to be considered because they had refused competition and had not come forward even when Secretary Moody wanted to lend them a Government Holland, while the Lake people were alone ready and insisting upon trials.

Simon Lake has seen the original minutes showing changes in Mr. Moody's testimony. This transaction should be kept in mind, as Secretary Morton, afterwards upon the recommendation of Secretary Moody, awarded the Holland people a contract.

It can not be possible that Congressman Roberts set the submarine affairs before Secretary Moody in their true light and no doubt Attorney-General Moody will agree with the opinion of the Board on Construction and the Judge-Advocate-General of the Navy, that the Lake people can have, as a matter of right, competition with a Government *submarine* before a single dollar of the 1905 appropriation can be expended.

The Attorney-General would probably give his real opinion before the Naval Committee *that the money* could not be expended before proper tests.

The Attorney-General would probably hold that the Holland contracts are void. Mr. Moody certainly did not understand the situation or the effect of the changes made in his testimony.

LAKE MUST ACCEPT A TRIAL ALONE.

On January 19, 1904, the Department notified Simon Lake that he must sign the statement that Woodward had demanded, in effect, accepting a trial alone as final and not in competition with Holland, as had been repeatedly demanded by Captain Lake and Congressman Hill.

This Department ultimatum, you note, is a departmental amendment to an act of Congress and is absolutely necessary to carry out the Holland absence-of-competition proposition of November 18, 1903. It absolutely eliminated competition under the law with a Government submarine, because the Department ignored Captain Lake's repeated requests for competition with a Government Holland and the Holland people would not put in the *Fulton*, although they had stated they were ready in 1902 for Captain Lake.

COMPETITION FIGHT IN 1905 LAW IN CONGRESS.

For the fiscal year 1905, the House Naval Committee, after a close vote on submarines in reference to competition, reported to the House a provision for two submarines, the language of Simon Lake's 1904 law being used, except the clause giving competition was eliminated.

On page 2481 of the Congressional Record, Congressman Roberts moved an amendment to the committee provision by providing for five boats for $850,000.

The chairman of the committee called the attention of the House to the fact that this amendment was an attempt to really name the Holland type alone.

Congressman Hill, of Connecticut, moved as a substitute the language of the 1904 Lake competitive submarine law, which gave competition with a Government Holland submarine.

Mr. Roberts's motion eliminating competition, together with the committee proposition eliminating competition, was defeated by a decided vote of 45 to 106.

Mr. Hill's motion demanding competition between a Lake and Holland submarine was passed, 91 to 51, and became a law, in spite of an attempt to amend the House provision in the Senate.

This is very important, because the Department afterwards attempts to eliminate this very competition which Congress debated and voted upon so decidedly.

COMPETITION BETWEEN LAKE AND HOLLAND SUBMARINES IS THE ENTIRE PROPOSITION.

This competition proposition is the entire question before you.

The question is will you declare the Holland contracts void because they were made without any competition or even comparison between the Lake and Holland types of submarines?

The law of Congress is plain and the Department has never yet given a reason why it assisted the Holland people in avoiding competition between the two types, and refused, in effect, to proceed with trials of the *Simon Lake X* in competition with a Government submarine.

The Lake people plainly told the Department the intent of Congress—insisted upon competition—refused to do business with the United States without lawful competition under the 1905 act.

In view of the plain language of the law, the competitive debate in Congress, the vote in Congress for competition, the opinions of the board of construction, the Lake people believe Rear-Admirals O'Neil, Melville, and Bowles, the Judge-Advocate-General, and Mr. Moody, now Attorney-General of the United States, that the Lake people were entitled to competitive trials; that you should immediately order the Holland contracts canceled and the law enforced as Congress plainly intended.

The Lake people know they have a sure remedy at law, but feel that the Executive branch of the Government should have an opportunity to carry out the laws.

LAKE BOAT FOR ARMY.

On March 14, 1904, the Senate fortification bill provided for the Lake boat for the Army, which had declared it to be "the nearest approach to absolute protection—now known—."

Every legislative dodge was attempted to kill this provision in the Senate. Two days of bitter debate and a decided vote placed the Lake boat in the bill as it passed the Senate. On April 14, 1904, the Lake boat for the Army was killed in conference

The Joint Army-Navy Board decided that the Navy should have exclusive control of submarines.

The Army had declared the Lake boat to be "—the nearest approach to absolute protection—now known—" but could not have it because the Navy insisted upon jurisdiction, and the Navy would not test all the Lake features because the functions were not naval.

LAKE FORCED TO GO ABROAD.

Having refused many offers to go abroad, and having told the House Fortification Committee that practically he must go abroad if they reject his Army proposition, Simon Lake sold the *Protector* abroad and proceeded to dismantle her.

The United States Government lost the functions which caused the Army to declare the Lake type of submarine to be "—the nearest approach to absolute protection—now known—." This dangerous and miserable condition of affairs was brought about through the insidious influence and acts of practically one United States naval officer—Constructor Joseph J. Woodward—whose conduct I will outline to you very briefly and ask you to investigate fully, and then deal with him as the law provides

BEGINNING OF FULTON REPORT BY WOODWARD AND SPEAR.

The document 75 shows the confidential correspondence of Woodward and Spear in reference to best time to have *Fulton* test. (Doc. 75, 784.)

Woodward advising Spear not to write until certain time and telling Spear when tests could be arranged for about the end of May. (Doc. 75, 785.) This was written May 7, 1904.

On May 16, 1904, many days after Woodward and Spear had fixed upon a tentative test date, Woodward got President Train of the inspection board to write Simon Lake telling him that the *Fulton* would be tested about May 30, and suggesting that the *Protector* be tested at the same time. (Doc. 75, 695.)

To show the unfairness to Captain Lake in giving but a few days' notice to him after the Holland people had been in confidential correspondence with Woodward for weeks as to the time of tests, it is pertinent to call attention to the fact that on May 12, 1904, Spear had written to Woodward (Doc. 75, 759) that "the *Protector* will not be ready for trial; we will have the field to ourselves."

TESTS OBTAINED BY LIE.

For Woodward to have a letter sent to Captain Lake under these circumstances, as shown conclusively by official documents, is beyond human characterization, and when you consider that Secretary Moody refused to order tests until he was assured in the Department that the *Protector* and *Fulton* would be tested in competition, Woodward's acts call for minute investigation, because the order for the *Fulton* trials was obtained by falsehood to Secretary Moody.

As a matter of fact, the *Protector* and *Fulton* were sold abroad to the same people and Woodward was aware that the *Protector* was out of the way.

FULTON REPORT IMMATERIAL FROM LEGAL STANDPOINT.

The *Fulton* report from a strictly legal standpoint is immaterial to the present discussion, as it took place before July 1, 1904, and has no legal force under the 1905 act.

However, as Secretary Morton has contracted for Hollands under the facts found and the recommendations made in the *Fulton* report by Woodward, it is important to show that the report was obtained first by falsehood to Secretary Moody, concealment of true facts, and recommendations not based upon facts even as found by Woodward.

On April 23, 1904, Woodward wrote the Holland people confidentially (Doc. 75, 794): "I am sure you will do everything in your power to expedite the work on the *Fulton*, so we can take up in an intelligent manner the question of design for new boats under the present appropriation act, based on the results that the present trials may show to be possible in the way of improvements over the earlier boats."

"Earlier boats" could alone mean Holland, and thus you note that Woodward had an understanding that the trials were a mere matter of form and presumed that the Lake boat would not be in the running for recognition.

As a further prelude to Woodward's work in the *Fulton* report, it is necessary to grasp his letter to the Holland people on May 7, 1904. (Doc. 75, 784.) Woodward wrote confidentially:

"We can probably arrange for the trial about the end of the month. It is desirable to make all proper speed in getting to a point where we (think of it, we) can actually *conduct the trials.*" (They did not exactly know what Captain Lake would do, so

it was desirable to be prepared but not too fast with trials, as they wanted to have Lake leave surely.) "I wish you would think over the programme" and "think of the order of the trial that you would consider best to have the men follow"—"giving your men the best possible chance to keep in good condition, as the fact of the ability of the crew to operate the boat practically continuously day by day is a feature of merit in the trial that has got to receive a certain weight."

"Write me informally beforehand—it may help us through with the work—in a manner equally satisfactory to yourselves." (Doc. 75, 785.)

Woodward explained the letter (Doc. 75, 782) by the fact that he saw "no impropriety in discussing personally in advance the best means of reducing the intervals between trials, so that the total time required to complete all trials be made as short as practicable."

WOODWARD'S EXPLANATION SPECIOUS.

His explanation was specious upon its face, but when you consider how "reducing intervals" has anything to do with the giving of the Holland crew the "best possible chance," as Woodward wrote Spear, comment is unnecessary.

What Woodward was really doing is disclosed and conclusively shown by Spear's answer, in which Spear states, "You will note that I propose to combine the two service tests, the endurance submerged test, the habitability test, and the endurance light test" (Doc. 75, 758)—a fair proposition to give the crew "the best possible chance" to operate practically continuously as a feature of merit. Consider that Woodward had had Captain Lake's request for a prolonged run at sea refused upon the grounds that "it is the board's intention to have the period of twenty-four hours during which the entire crew shall remain on board the vessel passed at sea, under way" (Doc. 75, 682), and that the *Fulton* in tests was actually at sea about nine hours and the rest of the time tied to a dock submerged for a few hours.

Putting all these disjointed facts together, you get the real purpose of Woodward in denying Captain Lake sea trials and in fixing up with the Holland an order of trials to give the crew "the best possible chance."

Woodward's explanation of why he wrote confidential letters to the Holland people is rendered absurd by the official correspondence quoted and leaves him in his true light for action by the Department.

Regardless of the contents of the Woodward-Holland correspondence which Congress forced from Woodward after several trials, Mr. President, think of a judge actually asking the form of a verdict and evidence to sustain it before trial from one party.

Think of one party being advised of the necessary facts for the weight of evidence by a jury before trial.

Consider the Government's chances of proper consideration when one contractor is asked to name conditions by an official so as to give that contractor the "best possible chance." Consider seriously the position of the other competing contractor—when the judge of contracts is writing confidential letters of any nature whatsoever.

The Fulton report was made to Secretary Moody in June, 1904. The Lake people immediately protested against action under its recommendations and against its publication unless amended to set forth all the official facts about the *Protector*, which Woodward had maliciously defamed in the report when the Lake submarine was not properly a subject of discussion. (Doc. 75, 695.)

Woodward told the Secretary of the Navy that the report was especially prepared for publication. It no doubt was, for after Secretary Moody ordered it not to be published, and in view of the fact that Secretary Morton told the House Naval Committee that the *Fulton* report was held confidential, it is respectfully submitted that a court-martial is in order for the publication of confidential military information contrary to orders.

THE FULTON REPORT WAS PRINTED IN CONFIDENTIAL FORM AND GIVEN TO FOREIGN GOVERNMENTS.

Under compulsion of investigation by Secretary Morton, Woodward stated (Doc. 75, 795) that Secretary Moody authorized him to give the report out under conditions.

However, Secretary Morton stated that he had been informed that Secretary Moody did not authorize its publication, but expressly directed that it be not given out.

On page 705 of Document 75 is Mr. Moody's signed order not to give the *Fulton* report out.

It can not be believed that Secretary Moody deliberately gave permission to Woodward to have a trade libel published under the Government board's apparent approval after his attention had been called to its character.

An explanation and a statement of a responsible party for the publication of Woodward's libel is but *fair to Simon Lake.*

THE PUBLICATION OF THIS LIBEL.

Fulton report of Woodward's deserves the minute investigation by the President, because it was sent where the Lake Company had contracts pending and which were held up.

The purpose of the Woodward remarks are obvious from reading the report, and the immediate use thereof leaves no room for doubt that the entire scheme was prearranged.

Secretary Moody did not buy Hollands under the act for 1904, but he left a recommendation for Secretary Morton, who has purchased Hollands under Secretary Moody's recommendations.

The *Fulton* report is without legal force under the 1905 act, but as the Department has acted under it it is right that you see how impossible the entire transaction is if based upon the *Fulton* report.

I have outlined how Woodward arranged for easy tests, how a lie was told to Secretary Moody to get order for tests, and now I state that the *Fulton* tests were clandestinely made, because the board refused to let a Lake representative witness the tests—a proceeding that can not be explained in view of the law. The representative did learn, however, that the torpedo tests in the *Fulton* report are base misrepresentations, because the report says that "three uncharged torpedoes were placed upon the wharf adjacent to the *Fulton* and the times taken to put each torpedo in the firing tube or its proper stowage position on board and to charge it with air taken from the air-flask receivers on board the submarine;" and, as a matter of fact, the torpedoes were not uncharged, but about half full of air, when trials started. The representative of the Lake people also found that Woodward went to the telegraph office sending a message to the Holland people.

A reference of the *Fulton* report to the General Board of the Navy was requested in vain by the Lake people.

A scientific examination will show that Woodward did a very poor job with his facts in writing the *Fulton* report.

The Fulton report shows upon its face that the *Fulton* made less speed than any Government Holland, and that it did not hit the target with its torpedoes in all shots—three.

THE TARGET WAS AN ISLAND.

"The first torpedo ran straight for a distance of about 50 yards and then turned sharply to the left; the second torpedo ran a straight course for 500 or 600 yards and then turned slightly to the right, and the third torpedo curved sharply to the left, practically from the instance of discharge."

The steering of the *Fulton* on this run was very irregular, the boat sheering in toward the *Powhatan* broadly and changing courses rapidly about the time of firing.

Yet Woodward found that the *Fulton* fulfilled all reasonable requirements of submarine warfare when its torpedo work was an absolute failure, as the language quoted conclusively shows.

NO SEA TORPEDO TRIALS.

In regard to sea torpedo trials, which were not conducted by firing torpedoes, the report states that torpedoes were not fired "to avoid the probability of losing the torpedoes if actually fired by the *Fulton*, on account of the impossibility of successfully locating them after they were fired, and of picking them up in a heavy sea."

The *Fulton* report states in regard to these sea torpedo trials, "The *Fulton* passed between two boats representing the target. There was a smooth sea." Where else in the world can a smooth sea and a heavy sea be recorded at the same time except in Woodward's *Fulton* report?

The fact is that the Holland boats can not fire successfully in any heavy sea and can not generally run even in a heavy sea except on the end of a towline, where they are actually wrecked, as was the *Moccasin*, *Adder*, and *Plunger*.

The *Fulton* report on the excuse for lack of proper sea torpedo work is pitiable considered in the light of all facts shown in reports filed in the Department.

A submarine is absolutely useless unless it can be operated at sea and fire torpedoes, and the Department reports will show you, Mr. President, that crews can not be trained even on the Hollands except in the smoothest of sea.

Woodward argued into the *Fulton* report conclusions not founded upon facts. In 74 of his conclusion one reads:

"The height of the conning tower of the *Fulton* has been increased over that installed on the *Adder* class of submarine boats. This enables observations to be made from the higher conning tower in a seaway where the line of vision from the lower conning tower would be so obscured that the boat could not be navigated."

This conclusion is rendered absurd by the facts as stated in 57, where one reads: "There was a smooth sea, with a long, moderate swell and a light breeze from E. to S.," and immediately in the following paragraph, 58, one reads:

"It was noted that with the sea then running (smooth) it was impossible to satisfactorily observe through the conning-tower ports."

What do you think of this improvement that makes the *Fulton* superior to the Government submarines, as Woodward found, and upon which recommendation other Hollands are contracted for?

TORPEDO WORK CONCLUSIONS ARE AS ABSURD.

In 74-C of the *Fulton* report one reads:

"A semiautomatic torpedo gear has been provided on the *Fulton* that facilitates loading torpedoes when the vessel is entirely submerged, both by shortening the time required to load and by assisting the man at the diving rudder in maintaining a constant depth. This gear worked in a generally satisfactory manner during the torpedo trials."

While loading at the dock the loading gear proved entirely inadequate and it required the strenuous combined effort of three men to get the torpedo into the tube.

In actually loading torpedoes for service firing one reads:

"35. In 12 min. 34½-sec. after firing the first torpedo the second torpedo was reported ready for firing, but there was a delay of about four minutes in getting the tube cap secured open, which is included in this time as given."

This may be considered "generally satisfactory" by Woodward, but it is absurd and prohibitive in actual service.

Woodward's periscope conclusions are absurd when they face their basic facts.

In conclusion 74-d one reads of the periscope:

"In case of injury to the electric control, the power required to rotate the periscope is such that it can be readily rotated by hand."

In paragraph 56 of Fulton facts one reads:

"At 3h. 50m. 30s. p. m. the conning tower was brought to the surface—the vessel remained running on the surface until 4h. 01m. p. m., having broken the switch by which the electric motor that rotates the periscope is controlled and it being temporarily impracticable to rotate the periscope by hand."

Consider the two statements side by side.

"Easy to rotate by hand"—"Impracticable to rotate by hand."

Woodward conclusions not borne out by facts. A sample of all.

Only a few good conclusions on bad facts have been shown you from the Fulton report—the report is full of absurd conclusions which the following will sum up. Paragraph 74-3 states:

"The changes made in the *Fulton* materially decrease the probability of an accident occurring and correspondingly increase the safety of operation of that vessel over and above the submarines of the *Adder* class."

Running through the report one finds facts that should have condemned the *Fulton* upon the record instead of commending it for the Department's consideration.

By the text one finds—

"The boat showed a tendency to oscillate through moderate angles as she arose to the surface, but this was satisfactorily checked by the quick reversals of the diving rudder" (bear in mind that Woodward was inside the boat and always had explanations for the peculiar actions of the *Fulton* for the officers who were outside on observation craft); "there was a delay of about four minutes in getting the cap tube secured open;" "some slight difficulty occurred in raising the cap at the outboard end of the torpedo tube;" "the steering of the *Fulton* on this same run was very irregular, the boat sheering in toward the Powhatan broadly and changing course rapidly twice about the time of firing."

Here is Woodward's explanation:

"This bad sheering was due probably to some temporary defect in the periscope," and any person familiar with diving submarines absolutely knows that the sheering was due to the juggling of water ballast to compensate for loss of weight of torpedo.

"It was discovered that one of the gaskets on the cylinders of the gasoline engines was leaking, and at 11 a. m. it was reported by the contractors that the gasket and the cover for two gas cylinders would require about twenty-four hours"—think of this in war time—"while going astern, the stern of the *Fulton* fell off to port and the direction of her movement astern could not be controlled by her steering rudder;" "the submarine did not move in a straight line astern, and in general she swung from her course as she had done when backing on the surface—and in general a single screw ship is apt to do when backing;" "before actually beginning preparations for diving, it was found that the lower prism of the periscope had been moistened with water, and it

was necessary to dismount the entire lower portion of the periscope, remove the damaged silver surface of the prism and, after reassembling the periscope, bring the vessel back;" "the conning tower was brought to the surface, having broken the switch by which the electric motor that operates the periscope is controlled;" "it was noted that with the sea then running (smooth) it was impossible to satisfactorily observe through the conning tower ports."

FULTON REPORT HISTORY OF STOPS FOR REPAIRS AND FAILURES.

One can not find any real reason why the *Fulton* meets any practical requirements for submarine warfare from the report, but, on the contrary, the report is a history of stops for repairs, failures to do the only things she was built for—hit a target—and full explanation by Woodward of all apparent defects. The report is full of such examples of bad facts and good conclusions by Woodward.

When the facts and conclusions join hands the combination is an absurdity that can not stand the light of scientific discussion.

Woodward winds up the *Fulton* report with a recommendation that the *Fulton* be not purchased on account of certain structural defects. The *Fulton* had been sold and Woodward knew it, and this was a cheap dodge to relieve the Holland people from embarrassment.

You have noted that Woodward was anxious to have the *Fulton* tests, so as to use up the 1904 appropriation by improving the "earlier" Hollands and excluding Lake from consideration.

How Woodward tried to exclude Lake from any consideration and recognition is disclosed by the *Fulton* report:

"The board considers it to be of the first importance that any submarine vessels that are added to the Navy as a result of those trials should be constructed under contract and not by purchase of vessels that have been built without Government inspection during construction."

This cute recommendation, if the *Protector* had been offered and the recommendation followed, would have excluded Captain Lake absolutely, after he had spent thousands of dollars to perfect a weapon for the exclusive use of his Government alone and after Congress had expressly provided for the purchase of his submarine which he had built upon the representations of a Department circular of 1893.

Woodward's recommendations demand the denunciation of all fair men when their purpose is revealed to shut Captain Lake out of all consideration of a practical nature.

Captain Lake did not fall into Woodward's trap, as the *Protector* had been sold abroad when Woodward made this tricky proposition.

"The board recommends that if no other vessels are presented for competition the following boats be contracted for"—"three such boats"—which afterwards are contracted for at about $200,000 each, and "one 100-foot submarine," which was contracted for at about $250,000.

To make sure that "no other vessels are presented." Woodward recommends that "these recommendations should only take effect after the Department has set a definite date beyond which no requests to submit a vessel to competitive trials under the acts approved March 3, 1903, and April 27, 1904, should be entertained."

WOODWARD'S HOLLAND UNDERSTANDING.

To convince you that Woodward had an understanding with the Holland people as to character of recommendations I quote you from the Holland letter of June 24, 1904 (Doc. 75, 764):

"This company has under preparation designs of submarine boats of the approximate dimensions called for by the trial board's recommendation."

The Holland people set the price for the board's recommendation at $850,000, and state—

"Under these circumstances we beg to point out that it will be impossible for the Department to carry out the exact recommendations of the board unless advantage is taken prior to July 1 of the appropriation of $500 000 appropriated by the act approved March 3, 1903, which is now available for expenditure and, if expended as authorized, would not serve to reduce the amount appropriated by the act approved April 27, 1904, since the latter act clearly provides for the reappropriation only of the unexpended balance of the appropriation made by the act of 1903, the other provisions of the act of 1903, with regard to trials and other matters, being continued by the act of 1904.

"With regard to the proposed competition for a special type of small submarine boat, we beg to inform you that we are prepared at any time to undertake the design and construction of such a vessel for competitive trial."

The scheme of naval lawyers Woodward and Spear in preparing this beautiful blow *hot and blow cold* Holland appropriation of all the submarine money is too apparent.

The 1904 law could be divided into sections—one to give the Holland the money and the other to shutout Lake from competition, because the Department would have set a definite date beyond which competition would not be permitted, as Woodward had recommended, if a contract had been then made under the Fulton scheme.

The entire apparent scheme is too sickly to merit attention and would be passed by without comment if it were not for the fact Secretary Moody made it important by adopting it in his recommendations to Secretary Morton, as will appear.

Mr. Moody could not have been aware of the net Woodward has set.

Secretary Moody did not use the $500,000 1904 appropriation, as the Holland urged, but did leave a recommendation for Secretary Morton to buy three Hollands, which would have taken $600,000 of the $850,000, which the Secretary said was available. (Secretary Morton hearing 63.)

Mr. Moody also recommended that "in any event, it seems to me that a sufficient amount of the appropriation should be left available for the purchase of one or more of the Lake boats." Mr. Moody stated also, "This $500,000 appropriation will merge to-morrow morning into the $850,000 then available for this purpose." Written June 30, 1904. Mr. Moody also wrote, "The last law (for 1903) reads in such a manner as to leave the early appropriation technically available."

You will note that this recommendation takes Woodward's and Spear's crafty legal puzzle and gives it form but no force.

The Holland's attempt to get the $500,000 failed, but Secretary Moody left life in the other proposition that the *Fulton* recommendations could have effect under the 1905 act.

LAKE DEMANDED COMPETITION UNDER 1905 ACT.

The Lake people filed a notice on the 1st day of July, 1904, demanding competition with a Government submarine prior to the expenditure of a single penny under the 1905 $850,000 act. (Doc. 75–705.)

The submarine matters were at rest until September 7, 1904 (Doc. 75–765), when the board on construction transmitted the Holland letter of June 24, 1904, to the Judge-Advocate-General, with an indorsement asking, "What portion, if any, of the $850,000 appropriated is available for the purpose herein noted prior to testing by competition and comparison the submarine boat submitted by the Lake Torpedo Company?"

On September 12, 1904, the Judge-Advocate returned his opinion (Doc. 75–767), "a proper compliance with the law in question requires, in the opinion of this office, a proper test of the Lake boat before any submarine torpedo boats are purchased under said appropriation."

The Judge-Advocate absolutely sustains Lake proposition that competition must take place before the expenditure of a single penny of the $850,000, and took all the form out of the Woodward-Spear legal puzzle that Secretary Moody had apparently given respectability to when he recommended to Secretary Morton to carry out the substance of Woodward's scheme to use the *Fulton* tests under the 1904 act to get a contract under the 1905 act.

On September 12, 1904, Secretary Morton quoted the Lake request of July 1 for competition and asked when the Lake company would be ready.

On September 13, 1904 (Doc. 75–769), Ex-Chief Constructor Bowles of the Navy, who resigned so dramatically to take a position with the Fore River Shipbuilding Company at the time of the receivership's testimony on the distribution of the moneys and stock of the shipbuilding trust, wrote a letter to the Department in behalf of the Holland people. He said:

"It appears clear it was the intention of Congress to place $850,000 at the disposal of the Secretary of the Navy to be expended in the purchase of submarine boats as the result of a competitive test, and that this test might take place either against a competitor or against, as a standard, a Government boat, the wording of the act being particular that no boat shall be purchased or contracted for which was not found to possess all reasonable requirements of submarine warfare."

Mr. President, you will recall that the Board on Construction stated that Simon Lake was entitled to competition with a Government submarine—not as a standard, but actual competition—and that the Judge-Advocate sustained Simon Lake's position. Mr. Bowles continues:

Secretary Moody's recommendation contains the suggestion that a certain amount be reserved from the present appropriation in case our competitor should present a boat for trial. We respectfully suggest to the Department in that case that reasonable, definite, and final limit of time be immediately placed by public announcement for such competitor to appear, and that in fixing this time limit due consideration be given to the time which has already elapsed.

As the Department had held the tests open about a year for the *Fulton*, this last suggestion is rather harsh, but as the Department followed this Holland advice to a letter, it must be kept carefully in mind, although as a matter of law the *Fulton* recommendations have no legal force under the 1905 act.

On September 16, 1904, Secretary Morton told Mr. Whitney he was going to purchase two Hollands at once and Mr. Whitney asked for a hearing the next day.

Mr. Whitney did not know that the judge-advocate rendered an opinion that such action would be unlawful and nothing yet has appeared to show why Secretary Morton decided at this time to purchase Hollands in face of his legal adviser's opinion.

However, Mr. Whitney appeared before Secretary Morton the next day and presented some facts to Secretary Morton.

Constructor Woodward was present and told his story, but no one paid the least attention to his remarks. Mr. Morton granted Mr. Whitney's request that no Hollands be contracted for. Mr. Morton insisted on a definite date for trials and Mr. Whitney informed him it was hard to set a date until the boat was actually finished. The Secretary insisted and Mr. Whitney set the third Thursday in November, 1904. Mr. Whitney remarked that the place of trials depended upon whether or not the Government would put a submarine in competition, but the Secretary and Mr. Capps stood mute.

SECRETARY MUTE ON COMPETITION.

Constructor Woodward then got President Dayton of the inspection board to recommend to Secretary Morton (Doc. 75, 711) that the Department insist upon the signed statement from the Lake people that they would accept, in effect, a trial alone as final. This was the statement that Woodward had originally demanded on January 11, 1904, and which had been refused.

You will note, Mr. President, that it was absolutely necessary to get Captain Lake to agree to accept a trial alone as final and then let Woodward compare the two types to carry out the *Holland* "absence of competition" proposition of November 18, 1903, and also to give the *Fulton* report any force under the 1905 act.

On September 26, 1904, Mr. Whitney replied, "Will drop in in due season and talk with you about place, etc., and shall be pleased to do everything possible you desire."

On October 1, 1904, ex-Chief Constructor Bowles again wrote the Department. He wrote:

"On the other hand, we feel that this matter has aspects other than what might be called its public and political aspect, viz, both legal and technical" (Doc. 75–773), "its (*Holland*) continued progress is being held up by the solicitations of parties who have a discredited, incomplete, experimental, and useless article."

He then refers to the alleged useless Lake type with considerable fear."

BOWLES'S FEAR OF LAKE SUBMARINE.

"We learn for the first time that our competitor has under construction an improved boat for the purpose of submitting it to the Navy Department for a competitive test—it would be obviously unjust to enter into a contract with them without permitting us the same privileges of going on and producing at our leisure another improved boat to be tested at our discretion." (Doc. 75, 774.)

HOLLAND PROTESTS AGAINST TRIAL OF LAKE BOAT.

"Under these circumstances we feel it our duty to protest against the action taken by the Navy Department. If, however, the Secretary decided that this method be necessary to the exercise of his discretion under the terms of the law, it is obviously just that he should place a definite limit upon the time of the second entry of the belated competitor.

"Specifically, our request is that the Secretary require the Lake Torpedo Company to be ready for trial at Newport before the same trial board, and under precisely the same conditions" (not in competition with a Government submarine) "on the third Thursday in November, and if not then ready that the competition" (of the absence variety of November 18, 1903, Holland proposition) "under the present act of Congress be closed."

As the Department did just what the Holland people wished, it is worthy of note right here what the Holland people really wanted—dodge actual competition.

ATTEMPT TO FORCE LAKE TO WAIVE COMPETITION.

On November 22, 1904, Secretary Horton wrote that the Board had been ordered to hold itself in readiness for December 5, 1904, and stated: "However, further steps with *a view of testing* will not be taken until your company complies with the explicit

provisions contained in the Department's letter of January 19, 1904 (recall this was Woodward's proposition to carry out the Holland attempt to dodge competition), which requires a formal statement in writing 'that the boat which you submit to the Department at that time is finally completed and that you are prepared to accept as final, for the purposes of this act, the results which your boat is capable of developing on trial at the present time.' "

Mr. President, you note that the Department first breaks the law by refusing to proceed under the 1905 law unless Captain Lake practically agrees to accept a trial alone as final and thereby waive competition. This fact is conclusive because after Captain Lake wrote he would accept as final the facts found in trial, provided the facts were found in a competitive test between his *Simon Lake X* and a Government *Holland*, the Department absolutely ignored the Lake demand for lawful competition with a Government submarine, and gave the Holland people a contract in spite of the Lake demand and the plain law of Congress, which refused to eliminate competition.

Such open defiance of law and fair dealing by a Department has never been recorded in the history of free institutions.

CHIEF CONSTRUCTOR CAPPS'S CLAIMS ABSURD.

It is absurd to think that the purpose of the signed statement, as claimed by Chief Constructor Capps (Doc. 75, 778), that the clause had a very simple and definite meaning and was intended to prevent either competitor from submitting a boat which was incomplete, etc.

It was in the Department's power to give another trial or not, as it saw fit, and Captain Lake's consent in writing was not so urgent as the chief constructor believes for the purpose he advances.

This statement arose with Woodward, was always advanced by him when it was necessary to shut off competition in accordance with the Holland proposition of November 18, 1903, and it was an effective means to accomplish such a purpose.

Under all the circumstances no other rational reason can be given for its existence and enforcement by the Department even to the degree of driving from America the "nearest approach to absolute protection known"—the Lake submarine.

CAPTAIN LAKE REFUSED TO WAIVE COMPETITION.

On December 3, 1904, Captain Lake acknowledged this demand for a signed statement, saying, in part (Doc. 75, 714):

"I want a fair, open, actual competition under the 1905 submarine act.

"An attempt is now made to have you unconsciously do what Congress positively refused to do—eliminate competition—by forcing me in advance to sign a statement that I will, in effect, accept as final a test of my submarine alone and not side by side under equal conditions with the Holland type." "This is in effect a departmental amendment to an act of Congress."

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The Department ignored the positive demand for competition and defied Congress and the Lake demand for competition and gave the Holland people a contract, after Captain Lake had agreed to accept as final the findings of the Board, provided competition took place."

Again quoting from the same letter:

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GOVERNMENT MUST PAY FOR LAKE FEATURES.

Simon Lake be adequately paid for his submarine features now on Government Hollands, and that in the future no Lake type features be used in any United States Navy submarines unless the license of Simon Lake be first obtained by the Government contractors.

The nature of the inventions involved makes this submarine question international in interest, and all scientific people will resent the treatment that the Department is giving Simon Lake through the insidious acts of Constructor Woodward, who had brought disgrace to himself and embarrassment to his Department through his continued correspondence with Holland people.

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The Lake people were earnestly requested not to force the submarine scandal upon the floor of the House because it would have killed the naval programme. I was assured the Department would right its own wrongs to Simon Lake.

The Department has, however, contracted for Holland submarines in spite of the manifest violation of the law and the intent of Congress.

SECRETARY MORTON ATTEMPTS TO COMPROMISE.

The Secretary attempted to offer the Lake people a contract and compromise the situation, suggesting that it was expedient. He was told that it was a matter of principle with the Lake people and not of profit, as Simon Lake had been wrongly treated. He was also informed that competition was the entire question at issue, that the Department's acts were unlawful, and that the matter would be taken to court, if necessary, after you had been appealed to.

NOT ATTACKING NAVY.

I fully realize what it means to apparently attack the Navy, the pride of the American people. I am not attacking it. I am defending it from the acts of individuals who have compromised the Navy before the powers of the world that are watching this question minutely.

The Lake people supposed for two years that they were dealing with the Navy Department only, but instead, the Congressional investigation developed the fact that the Lake people were up against a strong Holland lobby working behind and within the Department. The apparently inspired howl about Lake people attacking the Navy was the old pickpocket "stop thief" cry.

I call upon you as the only person powerful enough to call a halt on the manifest violation of plain law and common decency, and I hope you will use every means in your power to investigate this entire transaction and suspend Holland contracts during an investigation, if necessary, by special United States attorneys, and then give Simon Lake—an American inventor—"a square deal for competition," nothing more, nothing less.

Very respectfully, J. C. LAKE

Mysterious attempt to sink submarine torpedo boat Lake—Detectives at work for two weeks to get clue to culprits—Damage of $22,000 done to storage batteries of unique craft may seriously interfere with negotiations under way for private sale of craft to United States Government.

[From the Bridgeport Farmer, February 24, 1908.]

In a bold attempt to sink the submarine torpedo boat *Lake* by night vandals thoroughly familiar with the mechanism of the intricate craft succeeded within the past two weeks in damaging the vessel to the extent of $22,000. Pinkerton detectives, the local police, and the entire staff of Capt. Simon Lake have been striving to get a tangible clue to the identity of the culprit, but thus far their efforts have been in vain.

Up to to-day the utmost secrecy had surrounded the investigation, in the hope that the culprits might return a second time and fall into the hands of either the night or day watch, maintained since the discovery of the daring plot.

Through the circulation of the story of the crime, it became known to-day that negotiations had been under way with Secretary of the Navy Metcalf for a private sale of the submarine to the United States Government. The damage to the boat is such that *it may require* some time to repair her, being principally confined to the storage bat-

teries, an essential feature of her mechanism. The resulting delay may have considerable bearing on the outcome of the negotiations.

For several months the *Lake* has been lying in the local harbor. After the tests off Newport last summer it was brought here, and some changes in her lines were effected that she might more readily change her plane of navigation. She lay at the dock of the Bridgeport Motor Company, alongside the tender *Vesta*. Of late she has been moored to the *Vesta*, just outside the Stratford Avenue Bridge. The boat had been deserted by night, the crew of the *Vesta* being depended upon to exercise whatever watch was necessary.

Extensive repairs and changes in the interior construction of the *Lake* have been progressing here with a view to selling the craft to a foreign power. The Lake boat people have sold their vessels to half a dozen of the leading European powers, but up to the present time have been unable to get a single order from the United States Government. Recently negotiations were opened for the sale of the *Lake* to the United States Government.

It was less than two weeks ago that the attempt to sink the craft was made. Stealthily approaching the craft at night, probably with the aid of a rowboat, the culprits stole quietly aboard without arousing the sleeping crew of the *Vesta*. Opening the four valves of the *Lake*, they left her at the mercy of an incoming rush of salt water and made off without attracting the attention of the neighboring crafts.

In their haste, however, they overlooked the heavy hawsers that held the *Lake* firmly to the *Vesta*. As the submarine filled with water, the weight became so great that it bore down heavily upon the *Vesta*, and threw her out of plumb. The crew were aroused by the jarring of the vessel, and hastening on deck discovered the submarine fast disappearing from view. Their prompt action in closing the valves to stop the inrush of water was all that prevented the submarine from foundering.

Capt. Simon Lake, the president of the company, was at first averse to discussing the attempt upon the boat, but when he learned that all sorts of rumors had gained ground to-day as to the motives of the enemies of the boat he made the following statement:

"An attempt has been made to sink the submarine torpedo boat *Lake*. Sea water was let into the interior of the boat by opening four valves. Her condition was discovered before she had entirely sunk. The loss is $22,000 to storage batteries, which were damaged by salt water which flooded the battery deck. No insurance.

"The vessel was being tuned up for submission to the Navy Department for tests. The Pinkerton agency and local detectives are at work on the case. This is the second attempt to wreck Captain Lake's submarines."

Captain Lake would not indicate whether he thought the work was that of foreign emissaries or of enemies of the company at home. Since the attempt to wreck the boat, the company has ordered a strict watch maintained aboard the submarine. The crew of the *Vesta* is not depended upon now to guard the vessel, and every precaution is being maintained to prevent a repetition of the attempt.

A. Perhaps no particular one at that time, and perhaps at other times there were. I remember another occasion I called upon the Secretary of the Navy upon an important matter to the company, and that was in relation to the kind of engines to be placed in the boat then under consideration. The company was then constructing four boats, as I recall it, for the Department, for the Government, and the special board of inspection had already passed upon the engine which the company proposed to put into the four boats. This board of inspection had made a report to the Assistant Secretary of the Navy—to the Secretary of the Navy—and it was in the hands of the Assistant Secretary of the Navy. Mr. Frost, I think, telegraphed me, and I went to New York and he said that the company was going to suffer heavily in a financial way if the Secretary would not act upon that, and he had not acted upon it; that the action had been unnecessarily delayed, in his opinion, and it became very important for the company to know at once, and he told me in addition to that that although this committee or board that had been appointed——

Q. One moment. For the Secretary of the Navy to take that action, was that his legal duty? Was any law in existence that

devolved on the Secretary of the Navy this particular duty?—A. Perhaps not; that is, for immediate action, you mean?

Q. I mean what law in existence at that time put it within the discretion of the Secretary of the Navy?—A. I don't remember that just now.

Q. What year is it you are speaking of?—A. It was the summer of 1906, early.

Q. Was there any law authorizing the construction of submarines that had not been contracted for at that time?—A. No. This visit of mine pertained to the then existing contracts between the Government and the company.

Q. Had not the contracts been made?—A. I think so. Oh, yes; I am quite sure of that, before I had been employed.

Q. What end were you particularly undertaking to accomplish?—A. This board, as I said, had made a verbal report on this engine, as the company understood. They also had information from some source that another naval officer had made an examination of the same engine and that he had made a report to the Secretary of the Navy which was unfavorable and had stated reasons why the engines should not be adopted. After the company learned that the matter dragged along in the Department, and the decision was not made, and the company became very anxious about it and wired me to come to New York. I went to New York and they explained the situation to me and asked me to see the Secretary of the Navy and see whether I could not expedite in some way the decision upon that question.

Q. As to what type of engine they would adopt?—A. Yes.

Q. Were any parts of any boats under construction under contract at that time?—A. I so understood it.

Q. And these engines were a necessary part to complete it?—A. Yes, sir; and the company's desire to learn the decision.

Q. And the Navy Department delayed the continuation of the work on the boat?—A. Yes, sir; that is it exactly.

Q. Now, in anything else or at any other time?—A. Yes; I appeared at another time—I know that I appeared several times, as I say, but just exactly the reasons for my visit did not occur to me. I remember another occasion was in the summer of 1907. Mr. Frost wired for me to come to New York, and I went, and it was rumored he had been informed in some way of $3,000,000 appropriated; that the Secretary of the Navy was about to give one-half of that amount to the Lake Boat Company and one-half to the Electric Boat Company. Mr. Frost was very much exercised over it, and thought the Lake Boat Company ought not to have any of it. But he heard rumors and reports of some kind that he thought were reliable, that the Secretary of the Navy intended to give one-half of it to each company, so I came on to Washington at once and saw the Secretary in relation to that and talked that over with him.

Q. That was under what act of Congress?—A. The appropriation of $3,000,000 passed in the Fifty-ninth Congress.

Q. The act known as the act of 1907?—A. Yes, sir.

Q. And you appeared before what official in the Navy Department?—A. Before the Assistant Secretary of the Navy, perhaps more than once, on that proposition; I think more than once.

Q. Now, what was your contention on any or all occasions on that subject?—A. My contention was, in the first place, the Lake Boat Company should not have half of it, and in the second place, they should not have any of it; all should go to the Electric Boat Company.

Q. What did you base that contention on?—A. We based that contention upon the fact that the board appointed by the Navy Department itself, which carried on the competitive tests at Newport, had reported, and the Board of Construction itself had also reported, to the Secretary of the Navy that the Lake boat was inferior to the boat then owned by the Government and under construction for the Government—inferior in type and in every way, and that the *Octopus* presented by the Electric Boat Company, was an effective naval weapon and that it was the equal of the best boat then owned by the United States Government or under contract therefor; so that under my construction of the law the entire appropriation ought to go to the boat which was equal to the best boat owned by the Government and none of it should go to the boat that was admitted by the several boards as being inferior to the best boat.

Q. Then the question you went there to discuss was the one raised by an act of Congress and acts of the Navy Department in pursuance of that act of Congress?—A. Yes.

Q. A public matter?—A. Yes; oh, yes.

Q. Any other occasion when you went there?—A. As I say, I think I went more than once on that proposition. I think I went two or three times on that; it was very important, and the company was very much interested in it, and I think I went three times on that proposition.

Q. Did you go any oftener or any other times or on any other subject?—I do not recall any particular thing just now.

Q. Well, now, let me ask you a general question. Did you ever at any time after your employment by the Electric Boat Company make any representation to any officer of the Navy Department of a secret, private, or personal nature intended to benefit your clients?—A. I did not.

Q. Did you ever make any representations to any officer in that Department aside from or independent of some act of Congress left to their discretion?—A. I did not.

Q. Do you know Representative Loud?—A. I do.

Q. How long have you known him?—A. I should think fifteen years.

Q. You say he went on the Naval Committee his first term of Congress?—A. That is my recollection; yes.

Q. What are the facts connected with his life; what experience had he had?—A. He served with Dewey at Manila. He was on board the *McCullough*.

Q. In what capacity?—A. He left here as a private citizen. He was practically a volunteer. I forget the details.

Q. He was a private citizen?—A. Left the United States as a private citizen; I think he was on the roll in some capacity. I have forgotten the details.

Q. Will you refresh your recollection about it?—A. I think he left here as a private citizen on the *McCullough*.

Q. As a matter of fact, was he not paymaster in the Navy at the time of the battle of Manila?—A. My recollection is he became paymaster after he left the Chinese port at the time.

Q. After he got to Manila?—A. Yes.

Q. He was paymaster in the Navy?—A. Yes.

Q. And was in the battle of Manila in that capacity?—A. That is my recollection of it.

Q. How long after that before he was elected Member of Congress?—A. I should say two years.

Q. I will invite your attention to this statement:

The story as it is being passed about the Capitol is that a prominent lawyer of the Tenth Michigan threatens to become a candidate for Congress against Mr. Loud, and that he agreed to keep out of it when Mr. Loud promised to be not hostile to the Holland submarine boat.

Did you catch that question?—A. Oh, yes.

Q. Is that true or untrue?—A. It is absolutely untrue.

Q. In all of its parts?—A. In all of its parts.

Q. (Reading:)

This man is W. D. Gordon, of Midland, Mich. It is the common information among Michigan men about the Capitol that Gordon is in the employ of the concern which built the Holland submarine, and he is here every winter when the House and Senate Committee on Naval Affairs are considering how many submarines they will appropriate for. When Gordon first came to Washington, after serving his term as district attorney at Detroit, it was noted that he received constant personal attention from Mr. Loud, and there was much joking of the Tenth District man on the ground that he was hunting a job for Gordon in order that Gordon might not be a candidate for Congress against Loud. But time went on, and Gordon received no Federal appointment, and neither did he run for Congress; yet his regular visits to Washington continued.

Now, did you ever solicit a Federal appointment through the influence of Congressman Loud, or solicit his assistance?—A. Why, no; I would say no to that question; I would say that he offered assistance to me.

Q. Had you solicited his assistance?—A. No.

Q. Were you seeking a Federal appointment?—A. I don't think I ever did.

Q. Ever solicit his assistance?—A. I don't think I ever did; I don't remember of it at all. In fact I was not anxious for any appointment.

Q. Were you seeking a Federal appointment?—A. I was not.

Q. During any of the visits covered by this statement I have read?—A. When I was attorney there was no particular appointment that I desired and I was not actively engaged in seeking one, but Colonel Loud and some other Members of Congress who were friends of mine suggested that they would be willing to do anything they could for me to obtain an appointment of some kind, but I never asked any of them to do it.

Q. Did I understand you to say you live in Colonel Loud's district?—A. Yes, sir; I have ever since he has been a Member of Congress.

The CHAIRMAN. Any other member of the committee desire to ask any questions of this witness? (No response.)

Any Member of the House who desires to propound any further interrogatories? Mr. Lilley submits some questions for consideration.

Q. Was Representative Loud friendly to submarine legislation

before you were retained by the Electric Boat Company?—A. I think he was.

Q. Have you any knowledge of what his attitude was?—A. Yes.

Q. Can you state positively that he was?—A. I can state positively that he was.

Q. State all the conversations you have had with Colonel Loud, and when, concerning submarines.—A. I had one conversation with Colonel Loud in the month of March, 1906, and in order to make it clear to the committee, if you desire, I will state what led up to it. During the conversation in New York, Mr. Frost did not mention Colonel Loud's name. I finally said to him, when I was talking about the merits of the matter, discussing the question as to whether or not I would desire to act as attorney for the company, knowing little or nothing about the company or its business, I said to him, "Colonel Loud, of Michigan, is on the Naval Affairs Committee of the House, and I would like to know what his views are relating to submarines;" and Mr. Frost said to me that the information he had was that Colonel Loud was favorable to submarines; and I said to him, "Well, the first opportunity I have I will talk with Colonel Loud and ascertain," and Mr. Frost said, "I wish you would;" and some time during the month of March I had a talk with Colonel Loud at the Hotel Raleigh. I talked with him primarily for the purpose of ascertaining what his views were relative to submarines and satisfying myself as to the conditions. I had visited the navy-yard with Colonel Loud before that time and had talked with him about naval matters frequently; I won't say frequently, but occasionally. About that time Colonel Loud had either made a speech in Congress or was about to make one; I can not recall which; I have not looked it up. He was very much interested in the question of whether or not supplies for the Navy should be purchased in the open market rather than manufactured by the Government and navy-yards. That was the point involved in his speech; and I talked with him about naval affairs generally; I can not remember the details of the conversation; and I finally drifted on to the subject of submarine boats, and I said to him that it appears as if the submarine boat was a very effective naval weapon and was desirable for the Government. I said, "I see that your friend Admiral Dewey testified before the committee of Congress and has said that if the Spaniards had two good submarine boats in Manila they," referring to his experience in a general way at Manila Bay, "that Dewey could never have gotten his ships out of the bay," and Colonel Loud expressed his ideas very briefly. The conversation relating to submarines was very brief. I simply desired to get his views, and he expressed them as being practically in accord with Admiral Dewey's. The subject was dropped there, and that is the only conversation I had with Colonel Loud relative to submarine boats.

Q. Are you able to state what the date of that statement of Admiral Dewey before the Naval Affairs Committee was?—A. I could not give that offhand now. It seems to me, though, it must have been five or six years before I was retained; it seems to me so.

Q. Was Representative Loud a Member of Congress and of that committee the time this statement was made?—A. I do not know that; I did not make the statement to him as if I were giving him any particular information; I simply referred to it in that way.

Q. For the purpose of refreshing your recollection, I want to read this: "Holland torpedo boat, Committee on Naval Affairs, Monday, April 23, 1900," is the date.

The CHAIRMAN. If there is no objection, we will now proceed on this hearing on the Holland torpedo boat. Gentlemen of the committee, we have with us this morning Admiral Dewey and Rear-Admiral Hichborn, who will be prepared to speak on this matter.

Is that the hearing which you refer to?—A. I think so; I am not sure; I read it at that time.

Q. Now, then, was Mr. Loud a member of the Naval Affairs Committee at that time?—A. I do not know that. I did not suppose I was imparting any information to Colonel Loud when I made the statement. I supposed that he was as familiar with the submarine as I was, and more so. I simply referred to it in a casual way.

Q. Mr. Gordon, what dates have you been in Washington when Congress has not been in session, and how many interviews at such times with Assistant Secretary Newberry?—A. Just as I stated before, I think I appeared at that one time, when the question of contracts was under discussion about three times, and before that two or three times.

Q. Do you recall the dates?—A. No, sir; I do not.

Q. Can you limit that by year? What years were they?—A. I would say the calls I made were during the summer and fall of 1906—two or three of them—and the other two or three at that time, that was in the fall of 1907. It was in August; I said fall.

Q. You can not give more specific dates than that?—A. I can not.

Q. Did Mr. Loud ask you to support Mr. Edinborough for the State senate?—A. Not personally.

Q. How did the request come to you?—A. Some of his friends did. I knew that Colonel Loud was anxious to have him nominated and was supporting him actively. I knew that by rumor. I didn't know it by what he said.

Q. Did Representative Loud vote in committee prior to your being retained, so that he voted the Electric Boat Company's programme?—A. I do not know how he voted before or since.

Q. Now, then, do you know how Representative Loud voted in the Naval Affairs Committee on the question of submarines without reference to time?—A. I do not.

Q. Do you know how he has voted on that committee with reference to any type of submarines?—A. I do not.

Q. Do you know whether, as a matter of fact, prior to your employment by this company Representative Loud voted against or for the Electric Boat Company's type of boat?—A. I do not.

Q. Do you know whether or not, as a matter of fact, since your employment, he has voted in favor of the Electric Boat Company's boat?—A. No, sir; I do not.

Q. You know nothing of his vote in committee on this subject, either generally or specifically, with reference to this company's type of boat?—A. I know nothing about his boat.

Q. Have you made any effort to know?—A. No.

Q. Could you have known if you had endeavored to know?—A. I might, and might not.

Q. Are the matters of votes of members of that committee matters of record, or not?—A. I did not suppose I could learn in any way.

Q. Did you make any effort to learn?—A. I did not.

Q. Did you manifest any curiosity on the subject?—A. Not that I remember of.

Q. Was it in the scope of your employment that you should know?—A. No, sir; it was not.

Q. During this session of Congress have you talked with Representative Loud about submarines?—A. I have not.

Q. Have you attempted to talk to him about submarines?—A. I have not.

Q. What was your business in Washington about the time the Naval Committee voted on the naval programme of this year, the now pending bill?—A. I was called here by Mr. Frost to act as attorney for the company—advise, as I have stated before—and, if any questions would arise with the Navy Department, to appear before the Navy Department.

Q. After your appearance were you directed or required to do or say anything touching the action of the Naval Affairs Committee with respect to submarines?—A. I was not.

Q. Did you attempt to do or say anything intended to affect the action of the Naval Affairs Committee with respect to submarines?—A. I did not.

Q. Whom did you see when you came on this last occasion, whom did you talk with, and what was your business here?—A. Saw Mr. Frost.

Q. Why did you stop at the Willard?—A. I did not; I never have stayed at the Willard; I have always stayed at the Hotel Raleigh.

Q. Whom did you see, whom did you talk with, how did you employ or amuse yourself?—A. If you desire to inquire into my domestic affairs——

Q. Nothing domestic.—A. No, sir. Outside of the answer I have given I could not give you any other answer. That is, that I came here at the request of Mr. Frost.

Q. Now, when you came here, when did you arrive on this last occasion?—A. I think it was in January sometime, in the latter part of January, and lasted until about the 1st of February.

Q. Now, then, as a matter of fact, had the Lake contract been let by the Navy Department when you arrived—in other words, was or was not that proposition still under consideration?—A. I think it was; yes, that is my recollection; I think I was consulting in relation to that.

Q. Was it completed, had the contract been let, or was the contract under consideration?—A. My recollection is it was under consideration and had not been let; I am not sure about that, though.

Q. Was Secretary Newberry still in the Navy Department?—A. Yes; oh, yes.

Q. Mr. Gordon, I understand you to say you came on this last occasion because Mr. Frost required you to come?—A. Yes.

Q. Now, when you got here, what conversation occurred between Mr. Frost and yourself that outlined to you what was expected of you while you were here?—A. Well, just as he upon other occasions, when I came here—as I say, the whole talk, so far as the Washington business was concerned, between Mr. Frost and myself, was that I was to look after the affairs of the company in connection with the Department—the Navy Department—and to advise it from time to

time. In fact, Mr. Frost had called me to New York in order to help formulate a communication to the Navy Department.

Q. Were you sent for by Mr. Frost on this occasion for the purpose of controlling Representative Loud's action on the Naval Affairs Committee, with reference to submarines?—A. I was not.

Q. What Departments did you visit when you came?—A. I don't know that I visited any at that time; I don't think I did.

Q. You did not approach any Member of Congress on the subject of these submarine boats?—A. I did not.

Q. You have no recollection of visiting any Department after you came?—A. Not at that time; no.

By Mr. OLMSTED:

Q. When did you say you were here?—A. I think it was the last two or three days of January and the first half in February.

The CHAIRMAN. Are there any parties in interest who desire to ask any questions of this witness at the present time? [No response.]

The Chairman would like to state that all witnesses who have appeared here, although excused, are liable to be recalled at any time, and will hold themselves in readiness. Also that the following subpœnas have been served, returnable to-day: John P. Kellogg, Franklin A. Taylor, Charles Ferry, Isaac L. Rice, Elihu B. Frost, Maurice Barnett, August Treadwell, jr., Norman C. Johnson, and C. S. McNeir.

Subpœnas returnable to-morrow for Simon Lake, J. C. Lake, Henry J. Miller, L. B. Miller, Clarence Berger, T. B. Pemberton, Benjamin Micou, Hilary A. Herbert, John M. Thurston, F. B. Whitney, William B. Gordon, Abner R. Neff.

For Thursday, April 2, F. L. Edinborough.

The witnesses mentioned as summoned for March 31 will hold themselves in readiness after the adjournment, and the others from day to day until they are called. The committee has examined John P. Kellogg and Mr. Gordon, who were summoned for to-morrow. I would like to ask whether Franklin A. Taylor and Charles Ferry are prepared to testify.

Mr. LILLEY. I understand their subpœnas are for Wednesday.

The CHAIRMAN. Isaac L. Rice, Elihu B. Frost, Maurice Barnett, August Treadwell, jr., Norman C. Johnson, C. S. McNeir.

Mr. LITTLETON. All present.

Mr. NORMAN G. JOHNSON. I would ask the chairman to make that Norman "G." Johnson.

The CHAIRMAN. The committee, then, will take a recess until half past 2.

Mr. GORDON. Am I excused for to-day?

The CHAIRMAN. Excused until called for by telegraph or letter for further cross-examination.

(Thereupon the committee took a recess until 2.30 o'clock p. m.)

AFTER RECESS.

The committee met pursuant to the taking of recess at 2.30 o'clock p. m.

All the members of the committee were present.

The CHAIRMAN. The clerk will read the following certificate of proceedings before the House Committee on Naval Affairs:

Extract from the minutes of the meeting of the full Committee on Naval Affairs of the House of Representatives on the subject of submarines, Monday, February 10, 1908.

The full committee met on Monday, February 10, 1908, at 11 a. m., Chairman Foss presiding.

Present: Messrs. Foss, Loudenslager, Butler, Mudd, Roberts, Bates, Lilley, Thomas, Dawson, Ellis, Padgett, Gregg, Talbott, Lamar, Hobson.

Absent: Messrs. Loud, Olcott, Meyer, Kitchin.

In accordance with the ruling of the committee regarding the voting of absent members, Messrs. Loud, Olcott, and Meyer signified their votes, in writing, to the chairman, and such votes were recorded as if such members were present and voting.

Mr. Loudenslager offered the following resolution on the subject of submarines:

"The Secretary of the Navy is hereby authorized and directed to contract for eight submarine torpedo boats, in an amount not exceeding in the aggregate $3,500,000, and the sum of $1,000,000 is hereby appropriated toward said purpose, and to remain available until expended: *Provided*, That all such boats shall be of the same type heretofore determined to be superior as the result of the competitive tests held under the provisions of the naval appropriation acts approved June 29, 1906, and March 2, 1907, unless on or before October 1, 1908, a submarine torpedo boat of a different type and of full size for naval warfare shall have been constructed and submitted to the Navy Department for like trial, and by such like trial by said Department demonstrated to be not inferior to the best submarine torpedo boat in the competition above referred to."

Mr. Hobson offered the following resolution as a substitute to the above:

"That four submarine boats be authorized of the type mentioned in the above resolution, and four additional submarine boats to be open to competitive tests in the future."

The vote on Mr. Hobson's substitute resulotion was recorded as follows:

In the affirmative: Messrs. Mudd, Dawson, Hobson—3.

In the negative: Messrs. Loudenslager, Butler, Roberts, Bates, Thomas, Ellis, Gregg, Talbott, Lamar—9.

Present and not voting: Messrs. Foss and Lilley—2.

The substitute was recorded as lost.

Mr. Padgett offered the following amendment to the resolution of Mr. Loudenslager:

"That all after the words 'available until expended' be stricken out."

The vote on the amendment was recorded as follows:

In the affirmative: Messrs. Mudd, Lilley, Padgett, Lamar, Hobson—5.

In the negative: Messrs. Loudenslager, Butler, Roberts, Bates, Thomas, Ellis, Gregg—7.

Present and not voting: Messrs. Foss, Dawson, Talbott—3.

The amendment was recorded as lost.

Mr. Mudd offered the following substitute for the resolution offered by Mr. Loudenslager:

"Four submarine torpedo boats to be contracted for after such competitive tests as the Secretary of the Navy may prescribe, $3,500,000, of which the sum of $1,000,000 is hereby appropriated."

The vote on the substitute by Mr. Mudd was recorded as follows:

In the affirmative: Messrs. Foss, Mudd, Lilley, Ellis, Padgett, Hobson—6.

In the negative: Messrs. Loudenslager, Butler, Roberts, Bates, Thomas, Dawson, Gregg, Talbott, Lamar—9.

The substitute was recorded as lost.

The vote on Mr. Loudenslager's resolution as offered was recorded as follows:

In the affirmative: Messrs. Loudenslager, Butler, Roberts, Loud, Bates, Thomas, Dawson, Ellis, Gregg, Talbott—10.

In the negative: Messrs. Foss, Mudd, Lilley, Olcott, Padgett, Lamar, Hobson—7.

The resolution of Mr. Loudenslager was recorded as carried.

The following motion was made by Mr. Hobson:

"The Secretary of the Navy is hereby authorized, in his discretion, to contract for or purchase one destroyer or torpedo boat of the type known as subsurface, semi-submerged (or the like), the essential feature of which is to have during its operation some portion of the hull or superstructure always on or above the surface, such vessel to cost not to exceed $400,000, and to have a speed not less than 22 knots; also for two small vessels of like type having a speed of not less than 16 knots and to cost not to exceed $22,500 each: *Provided*, That before any vessel of the type provided for in this paragraph shall be purchased or contracted for a vessel of such type shall have been constructed complete and of full size for naval warfare and submitted to the Navy Department for such trial and tests as the Secretary of the Navy may, in his discretion, prescribe, and as the result of such tests, be demonstrated to have fulfilled all the reasonable requirements of naval warfare for a vessel of its class, and for these vessels the sum of $445,000 is hereby appropriated to be available until expended."

The motion was carried that the motion of Mr. Hobson be divided so that a vote be taken on the one large vessel alone and the two smaller vessels combined, but separate from the larger vessel. The vote on the larger vessel mentioned in the motion of Mr. Hobson was recorded as follows:

In the affirmative: Messrs. Loudenslager, Butler, Mudd, Bates, Lilley, Dawson, Hobson—7.

In the negative: Messrs. Foss, Roberts, Thomas, Padgett, Gregg, Lamar—6.

The motion was recorded as carried.

The vote on the two smaller vessels mentioned in the motion by Mr. Hobson was recorded as follows:

In the affirmative: Messrs. Foss, Loudenslager, Butler, Mudd, Roberts, Thomas, Dawson, Padgett, Gregg, Lamar, Hobson—11.

In the negative: None.

Present and not voting: Messrs. Bates, Lilley—2.

I hereby certify that the foregoing is an exact copy of an extract of the minutes relating to submarines taken at a meeting held on February 10, 1908, Committee on Naval Affairs, House of Representatives.

E. S. THEALL,
Clerk Naval Affairs, House of Representatives.

Mr. LILLEY. That is not all that took place before that committee that day. It is a portion.

The CHAIRMAN. This is the portion that the committee wish to have inserted as evidence at this time.

The committee will now call Mr. Rice.

TESTIMONY OF MR. ISAAC L. RICE.

ISAAC L. RICE, having been first duly sworn, on being examined, testified as follows:

The CHAIRMAN. I will ask Mr. Olmsted to propound the inquiries to Mr. Rice.

By Mr. OLMSTED:

Q. Give the clerk your name.—A. Isaac L. Rice.

Q. Where do you live?—A. In New York.

Q. What relation, if any, do you sustain to the Electric Boat Company?—A. President.

Q. How long have you been president?—A. I think since its organization.

Q. When was that?—A. 1899.

Q. Where is its principal place of business?—A. It is a New Jersey corporation, but the main offices are in New York City.

Q. Where is its factory, if it has any?—A. Well, you see, the submarine portion of this business is not the only business. It has also what we call the electric-launch business, and also the Electro-Dynamic Company, which is the oldest, I think, or one of the very oldest, electric companies in the United States. The factories of

those two companies are in Bayonne, N. J. Then it controls what is called the Industrial Oxygen Company, and this company has a shop where the submarine boats are built, but entirely distinct from them, on the ground of the Fore River Ship Building Company. The Electric Boat Company has, of course, its plants for submarine construction. It has a plant at New Suffolk, Long Island, N. Y., which is not at present in use. Then it has its principal plant in the works of the Fore River Ship Building Company. It has a quite a plant there. It leases ground and pays rent on the ground.

Q. We have been a little confused, perhaps. The resolution under which we are acting speaks of the Holland Boat Company and its successor, the Electric Boat Company.—A. It is not legally its successor at all. The Holland Submarine Company still exists; it is still a legal organization. The Electric Boat Company owns several businesses. It owns the business of the New Jersey Development Company. It owns the Holland Submarine Company in the same way.

Q. Then the patents under which the Holland boat (so called) were and are made belong to the Electric Boat Company or are controlled by it in the manner you state?—A. I think they have all been assigned to the Electric Boat Company. I don't think the Holland owns any of the patents to-day.

Q. They stand in the name of the Electric Boat Company?—A. I think they do, but I can not tell you that exactly; but principally they do.

Q. What is the capital stock of the company?—A. We have an authorized capital of $10,000,000, $5,000,000 preferred and $5,000,000 common stock, but we have only issued a little over two and a half million dollars of the preferred stock, so that our total capital is in the neighborhood of seven and a half million dollars.

Q. What dividends does the company pay?—A. We have paid on the preferred stock 8 per cent; on preferred stock we have paid, I think, for four years 8 per cent, and on the common stock for two years we have paid 2 per cent.

Q. Mr. Rice, it is a part of the charge of Representative Lilley, as follows: "That continued and repeated efforts have been made by representatives of the Electric Boat Company and its predecessor to influence the action of officials of the Navy Department, and that such efforts in the past were so persistent and notorious as to call forth the condemnation and criticism of high officials of the Navy Department."—A. The only influence we have ever used with the Navy Department is to build the best boat we knew how. The rest of that story is a malicious lie. There is no other word for it. There is nothing on record to substantiate any such talk as that, and Mr. Lilley has no information of that and nobody in the world has.

Q. Were you present this morning?—A. No; I was not.

Q. Did you hear Mr. Gordon testify that he was employed and was asked—I don't know whether he said to use his influence, but at all events he was employed to consult Assistant Secretary Newberry?—A. I do not know what he was employed for. You see, I am away a large part of the time. I give my principal attention to the European business, and so I am away some four or six months in the year, and I do not know anything about Mr. Gordon's employment especially. I knew he was employed, but I am quite certain

he was only employed to make a proper argument. I can not imagine, and I am sure he was not employed for anything else.

Q. But you have employed attorneys or others to make arguments before the Navy Department?—A. I do not think especially for that. That is one of their functions, of course. When we need to make an argument we call upon the man we think best fitted, or the one who is most convenient. We have a choice of one over another.

Q. Have any of the high officials of the Navy Department condemned your efforts in that direction, so far as you know?—A. Never; I never heard of it.

Q. You have never had any objection made?—A. No; never. I think, considering the amount of money we have expended in order to improve this boat and give the United States this method of defense, which we think very effective and very cheap, I think we have not been treated remarkably well by the Navy Department. I think that they have given preference to our competitors.

Q. What competitors?—A. The Lake Company.

Q. You mentioned that you had charge of the foreign business of the company?—A. Yes, sir.

Q. This same company?—A. Yes.

Q. Does it build boats for foreign governments?—A. We have built boats for the Japanese Government, but as a rule the boats are built by foreign shipbuilders and we simply license them to build, like, for instance, Messrs. Vickers Sons & Maxim have the license for England. The Vulcan Company, of which you have heard, building these great ocean liners, they have the license for Germany. The Nefski has the license for Russia. Empreza Dimprairo Industrial Portugueza has for Portugal. The Whitehead Torpedo Company has for Austria-Hungary. They pay us royalties.

Q. Does your company own capital stock in these foreign concerns?—A. No; we have absolutely nothing to do with their stock.

Q. You license them?—A. We license them under our patents and inventions and secrets, and furnish the plans.

Q. Do you derive profits from those licenses?—A. Certainly; that is what we live on, principally.

Q. Does your attention to the foreign business require your absence from this country at all?—A. Oh, yes; every year.

Q. What proportion of the time?—A. It has been as much as six months, and I think the least has been three months. The average was about four months, or a little over. You see I go from one end of Europe to the other. I go from St. Petersburg to Lisbon.

Q. Is the administration of the affairs of this company under your immediate direction or of some other officer?—A. I think that I will have to explain about that a little bit. This is not the only company which I have. I am the executive head of about fifteen companies. I am very much interested in new inventions. That is what might be called my "fad." If a man has a new enterprise and can not find capital, sometimes he comes to me and I raise the capital for him, and in this way I have been the founder of new industries in this country. For instance, like the storage-battery industry, which did not exist as an industry before I took it up. So the automobile industry was founded by me. I was the father of that, through the Electrical Vehicle Company. Then there is a very interesting invention, for the lighting of trains by electricity generated from the motion of the axle of the

wheel, what is called the Consolidated Railway Lighting and Equipment Company. Then we have a new and very effective, as we think, method of refrigeration, so that any man can have in his house, instead of being compelled, as he is now, to have these tremendous refrigerating machines—we have a machine which can go in his house, and which we think will be used for railway cars, and so forth. Then there is a very interesting chemical invention, exploited by the Kasein Company of America. You may have heard of that. They use the solid in the milk. In other words, the skimmed milk which the farmers and dairymen used to throw away, or feed to the pigs, or something like that, now that has become valuable as a waste product. The fine paper which you see is coated with that. We take the sugar of milk——

Q. We might save time possibly by asking you to enumerate the things that you are not in.—A. If you will permit, the only reason I seek to mention those things is because I am asked to what extent I am able to take charge of details. Of course I must be familiar to a certain extent with the detail, but you must perceive that I can not possibly be familiar with all the details——

Q. I am asking you to what extent you are familiar with the details of the Electric Boat Company?—A. I think, in general, I am—it is a pretty broad question. I do not attend to the carrying out of the orders at all, but the policy, the general policy, I am responsible for.

Q. I will ask you a question with reference to this specifically, as to the Navy Department, whether your company has exerted or attempted to exert any influence over the officials of the Navy Department except by demonstrations of your boats and proper arguments by counsel?—A. Oh, by correspondence from our officers.

Q. And by correspondence from your officers?—A. Yes; or personal interviews also. Not only correspondence, but personal interviews.

Q. Personal interviews on the part of whom?—A. If we have a contract, you can imagine there are a great many details in a contract, and it is absolutely necessary for some one to attend to those things personally. Mr. Spear probably would be the one who would go into that, because he is our naval architect.

Q. Have you had occasion to go yourself in such circumstances?—A. I do not think I have ever been to the Navy Department, except once, to see Secretary Long, and the reason I do not remember. At another time to see Secretary Moody. Shall I go into that, though?

Q. How long ago was that?—A. When was Secretary Moody Secretary? I could not say just at this moment. It was long ago, I know—three or four years ago.

Q. The present Secretary of the Navy?—A. I have never seen any Secretary since Secretary Moody. But I was once——

Q. It is charged by Mr. Lilley that from 1893 up to the present time these efforts of the Electric Boat Company and Holland Company have resulted absolutely in suppressing any possibility of competition in submarine construction and securing and awarding of all contracts, either by specific appropriation or by legislative appropriations skillfully drawn, to this company without possibility of competition. What do you say to that?—A. That is so absolutely absurd that it sounds like ravings to me. I do not know what that means. We have had nothing but competition. If he means by that that we have

been so superior and crushingly superior in competition that that was unfair upon our part, I will have to admit that, but that is the only fault.

Q. What competition have you had in submarine construction?—A. Of course this submarine matter goes further back than the Electric Boat Company.

Q. Begin with the Electric Boat Company.—A. We can not very well begin with that, because the Electric Boat Company was the result. As I understand from the records of the company, they show, I think, that the Holland Company was organized before 1890, and Secretary Herbert, I think it was, ordered a competition of the various plans, and all the inventors of submarines at that time were invited to submit plans. You must remember this submarine as an effort, theoretically, is very old. Some people say it goes back to the Greeks. And there is a history on that subject which brings it back clearly four hundred years, so that when you speak of submarine navigation it is not at all anything modern. What is modern, however, is the success. During all these four hundred years great men in science—Robert Fulton was one of them—have used their efforts to develop submarines, and Holland, who, I believe, was a schoolteacher originally, and not at all a naval constructor, conceived an idea upon which submarines could be built and made to run successfully, I think in the seventies, and he, like all inventors do, tried to live on his invention before it was an invention; and they have to find people who would advance the money and take care of them, etc., and one set of men gets tired and another set comes in, and so on. In this way he managed to work along, as you might say, for about ten or fifteen years. Finally he got some one's ear. I think about that time the French were beginning to build submarines. He got some one's ear, so that Congress, I think, passed a law to provide for competition of plans in order to find something which the Government could have built.

Q. When was that?—A. That was in 1893. Then the Holland type was selected after a severe competition. And about two years later, I think, they began to build a boat for the Government called the *Plunger*. I never knew the exact facts. You can not very well judge things by hearing one side only, but the one side that I have heard always blamed the Navy Department. I have not heard the other side. But I have heard that the Department loaded this invention down with so many requirements impossible to be fulfilled that the *Plunger* turned out to be a failure. Then the company, although they had won this competition—they never would have got this contract without this competition—nevertheless, the boat which finally resulted from these competitive plans, having been received, was a failure, because you can not build submarine boats on plans. Mr. Lilley tells us so, but that is out of the question.

Q. We do not wish to take more time than necessary in giving a history of this matter. I simply want to see whether or not you had taken steps which had resulted in shutting off competition by your company.—A. I would like to finish on the other subject. After the *Plunger* was shown to be a failure, then the company, with its own money, without any aid from the Government, built the *Holland*. This was still, you might say, the result of this competition. On the *other hand*, the *Holland* was not a Government boat, and there was

no agreement to buy the *Holland* at all. Nevertheless, the company felt they ought to do that, and they managed to raise the money, and it was at that time, when they found that they could not go any further, that because the Storage Battery Company, of which I then was president, became a large creditor of the Holland Company, I became interested in this new invention, and began to help the *Holland* out, at first with advances of my own money. I am still speaking of the boat called the *Holland*, which was built in consequence of the original competition. Now the Holland——

Q. What other company was competing at that time?—A. There was only a competition of plans. There were fourteen or fifteen different inventors, all claiming that they had excellent submarine boats, and the Navy Department selected what they thought was the best. There was no boat in existence. Although Holland had built some working models which led up to it, as well as worked on the *Plunger*, so that the *Holland* was what they called No. 6, and the *Plunger* No. 5. The company had the *Holland* on its hands, and tried to arrange that the *Holland* should be taken in place of the *Plunger*, as there was an appropriation available, and the Navy Department, at three distinct times, appointed a board to examine the *Holland* and have a demonstration. All this still the result of the original competition. Then, finally, the *Holland* was a success. It was made a success through the Electric Boat Company, because the Electric Boat Company brought in sufficient capital to practically rebuild the *Holland*. By this time experience had been gained which showed where the *Holland* had defects, and you will find these three boards, in their reports, constantly growing more favorable, so that the report of the third board was entirely satisfactory.

Q. We do not want to go into the reports of the boards. What year was that of which you speak?—A. That was 1899. That was the time when the Electric Boat Company was organized.

Q. What competition have you had since then?—A. Then as a result of the demonstration of the *Holland*, the Government, or Congress, passed a law specifying the *Holland* type. That was the only type then in existence, and was the result of this competition and the result of these demonstrations.

Q. Was that the only boat then in existence in this country?—A. Yes; as far as I know of. Whether or not the *Argonaut* existed at that time I do not know, but the *Argonaut* was not a boat; it was a diving bell that went on wheels on the bottom. It could not navigate. So, while Mr. Lake talks a great deal about the *Argonaut*, that was not a competitor of the *Holland*. The success of the *Holland* inspired Mr. Lake to enter into this field and build something which, while still going on wheels, would be a torpedo boat, and from that moment on there was no longer any legislation in favor of the *Holland* type. It was all again left to competition. There were seven boats built. We sold the *Holland* and we returned all the money that the Government had advanced on the *Plunger*, so it was not a very profitable transaction. But it was the right thing to do. Not having fulfilled our contract, I made up my mind we must pay the Government back without any halting at all.

Q. You paid back to the Government the amount the Government had paid you for the *Plunger*?—A. Yes; and we have the *Plunger* yet. Then the competition began. The first competition was be-

tween the *Protector* and the *Fulton*. You see we first built the *Holland* out of our funds, then we built the *Fulton* out of our funds. We put the *Fulton* in competition against the *Protector*. Then Lake, as I said, having seen our success, went into this field and built a boat, applying, as I say, his own experience as much as possible, and built a boat on wheels——

Q. We do not want to go into the details about that.—A. That is the *Protector*.

Q. We want to know if there was a boat in competition with yours.—A. They built what they called the *Protector*.

Q. That belonged to the Lake Boat Company?—A. That belonged to the Lake Boat Company. Now, you have in short a history of that competition.

Q. Mr. Lilley further says that you absolutely suppressed any possibility of competition in submarine construction and had secured the awarding of contracts. Did you suppress competition in the award of contracts for submarine boats?—A. I think you have the official record on that. That is all that is necessary to say. After we won the boat competition, and after the time had expired and we were entitled to the appropriation, Secretary Morton would not give us the appropriation, but he allowed the Lake Company to build another boat.

Q. When was that?—A. That was in 1904, I think. As I say, the unfair competition that we have been subjected to has been extraordinary. After we won out in the last competition, nevertheless the Lake Boat Company got the contract for a boat, although it was so absolutely inferior that it could not be mentioned in the same breath.

Q. When was that?—A. That was the result of the last competition of the *Octopus*.

Q. When did the Lake Boat Company first get a contract for a boat?—A. Recently.

Q. That was the contract which we have been told was made last month?—Yes, sir.

Q. Do you know anything about how that came to be made?—A. No; I have no knowledge.

Q. Then you state that from 1893 up to the present time there has been competition?—A. Constant; yes.

Q. In submarine construction and——A. The fiercest kind of competition.

Q. It is charged also by Mr. Lilley, and this is his language:

> That it can be shown upon investigation that certain representatives of leading newspapers have been subsidized and paid by the Electric Boat Company for favorable newspaper articles and reports in behalf of the said company.

What do you say as to that?—A. I can only say it is pure invention; there is not a word of truth in it.

Q. Do you mean to deny that you have at any time paid for newspaper articles?—A. I know I heard for the first time in this trial that some one was getting up some literature to sell around among the newspapers, and that Mr. McNeir paid them something for that work. I did not know anything about it until this investigation. But that I do not call buying newspapers, to influence their editorial columns.

Q. Do you take the Scientific American?—A. I do not read it regularly; no.

Q. Have you seen an article in a recent number of that paper, and, perhaps, running through two numbers, signed by R. G. Skerrett?—A. Coming up on the train yesterday one of my companions of the trip showed me No. 2 of that, and I read it through hastily.

Q. There is some reference in that article to yourself, or your company. Did you have it written or printed?—A. That article?

Q. Yes.—A. No.

Q. Or pay for its publication?—A. No.

Q. Do you know who Skerrett is?—A. He was connected with the Lake Company; that I know.

Q. Where does he live?—A. I only know his name; I have heard him mentioned by name as being connected with the Lake Company.

Q. Do you state, so far as you know, that all the money you paid to newspaper men was what you have read in the evidence of this investigation?—A. That is all. I never heard of anything else.

Q. It is also charged by Mr. Lilley in this language:

> That for several years Mr. Elihu B. Frost, vice-president of said company, has been a continuous visitor at Washington during Congressional sessions, and that he has spent large sums of money in furnishing entertainment to Members of Congress, and that his expenditures along this line have amounted to thousands of dollars.

What can you say to us about that?—A. I suppose Mr. Frost can tell you more than I, and I am absolutely certain that the whole thing is false.

Q. You do not deny he has been in Washington?—A. No. But that he has spent large sums of money in entertaining Members of Congress; that we have been coming here to Washington, and that we have been spending large sums of money to the extent of many thousands of dollars—it all refers back to the time when we had our boat here, and that was not for entertainment.

Q. When was that?—A. I think it was in 1900 or 1899; also in 1902.

Q. You had your boat here in the Potomac River for exhibition?—A. Yes; for demonstration, as we call it, on two occasions. One was our own boat, and the other was a Government boat which had just been built, but the Government permitted it to be sent here so as to exhibit to Members of Congress.

Q. You say that whatever entertainment occurred at the expense of the company occurred at that time?—A. I do not say that there was never a dollar of entertainment spent by anybody. I do not know. Mr. Frost may know Members of Congress. I unfortunately know hardly any; very few indeed. In all my career I don't suppose I know half a dozen Members of Congress; Mr. Frost is more fortunately situated. He may possibly have spent some money entertaining them, and they may have spent some money entertaining him. But as for those demonstrations being entertaining, that is incorrect. We could not take people down the river, be gone all day, and let them take their dinner pails along. That would not be in accord with the amenities of society. You can not invite Senate and House members and Department officers and not furnish them some refreshment, if they are down all day. That was the extent of that entertainment.

Q. What do you say as to the expenditure of money for entertainment of Members of Congress during the present Congress?—A. Well, I have not heard of any Senator or Member of Congress—Mr. Frost may have had a Member to dinner; I don't know; and a member might have had him to dinner, and I don't know anything about that.

Q. I refer now to or on behalf of the company.—A. No; no Members of Congress have been entertained.

Q. Or any entertainment of Members of Congress by an individual, individually, that was charged to the company?—A. So far as that is concerned, Mr. Frost puts in his expense account, and you will have to ask him whether in that expense account there was a dinner given. He will know that better than I.

Q. So far as you know?—A. So far as I know, no.

Q. Then it is charged by Mr. Lilley as follows:

That thorough investigation by an impartial committee will show that large sums of money have been, by the Electric Boat Company, its officers or agents, contributed to the campaign funds of Members of Congress who favor and have favored the Electric Boat Company's monopoly of submarine construction, and also that large sums of money have been spent to accomplish the defeat of members of the Naval Committee who have not favored the Electric Boat Company.

What do you say to that?—A. That is a malicious lie. That is all that I can say about it. Never a penny. The company never, to my knowledge, that I know, ever contributed one penny to any campaign fund of any Member of Congress or anyone else.

Q. You say it has never contributed a penny for the election of any Member of Congress?—A. No, sir; nor for the defeat of any Member of Congress.

Q. When Mr. Lilley appeared before the Committee on Rules, this question was asked him:

Mr. DALZELL. Then you suggest also that this company has spent money for the purpose of defeating Members of Congress. You must have some particular Members of Congress in view when you make that statement. Who are they?

Mr. LILLEY. I expect to prove that that has actually been tried.

Mr. DALZELL. You do not propose to tell us who they are?

Mr. LILLEY. I understand I am not called upon to try the case before this committee.

You have already stated that you have not expended money for the election of any Member of Congress, nor for the defeat of any Member of Congress. Have you spent any money trying to defeat any Member of Congress?—A. That is too absurd. Absolutely, no.

Q. Mr. Lilley further stated in that hearing before the Committee on Rules, and used this language:

This Electric Boat Company has been a stench in the nostrils of the country for years, and in my opinion it has done more to corrupt legislation than all the other corporations on earth.

A. Well, I think it is not my business to say anything here, excepting that as a citizen of the United States, I think that is an attack on Congress and on the integrity of Congress, rather than on us. How can we corrupt the incorruptible? The idea of all this is to injure us in our foreign business, to injure us here, to intimidate Members of Congress, that they dare not vote for our submarine boats, and then to create such an atmosphere in Europe that we can not compete with the Lake Company. That is the object. This atmosphere is being created all over Europe now. I get foreign clippings, and there is just one tone about this whole thing, and if you will permit, I would

like to read a translation from one paper as an illustration of the whole spirit of this thing. For instance, a Paris paper, the Liberté, says:

THE AMERICAN NAVY—A SCANDAL.

[From our special correspondent.]

WASHINGTON, *February 21.*

The realm of politics has been very much perturbed by an incident emanating from Mr. Lilley (from Connecticut) in the House of Representatives. This Member has in fact asked that a commission of five members be named by the Speaker for the purpose of making inquiries into the movements of the agents representing builders of submarines and their relation to the Naval Committee.

Their influence was the cause of the rejection of President Roosevelt's and the Secretary of the Navy's plans as laid out by them.

The Naval Committee was firm for two battle ships instead of four, and for eight submarines in the place of four. It was rumored that these changes had been brought about by means essentially lucrative to the members of the committee, who might have given way to the advances of a shipbuilding syndicate.

It is not yet known what the result will be respecting the request for an investigation made by Mr. Lilley, but we may well believe it has created a great sensation in parliamentary circles.

Q. It is charged in there that your company had made it lucrative to the members of the committee. What have you to say to that?—A. An absolute lie. There is no word of truth in it, but you see the papers love scandal, and the foreign papers love still more scandal that implicates America and American interests and the American Congress.

This is from the El Noroeste, a paper published in Spain:

IN YANKEE LAND ALSO.

[From "El Noroeste," La Coruña, issue of February 27, 1908.]

Yankee land, or rather the United States of America, are likewise the scene of serious corruption in public affairs. President Roosevelt's programme of additions to the fleet comprised a plan for the construction of four battle ships and an equal number of submarines. The Naval Committee, whose duty it was to report on this matter, proposed the construction of two battle ships and eight submarines. This produced some commotion and aroused suspicion in regard to the report, and the Congressional Representative for Connecticut, Mr. Lilley, proved that the increase in the number of submarines and the decrease in the number of battle ships to have been due to the activities of a firm building the former class of vessels, which succeeded in purchasing the good will of the members of the committee.

The occurrence consequently shows the grossest corruption and the greatest iniquity. A body of men in whom the people placed their confidence abused the the same by benefiting a firm of shipbuilders for a money consideration, to the prejudice of the country's naval interests.

This occurrence, having taken place in the United States so shortly after their war against us, is exceedingly interesting, especially at this time. The disaster which overtook us has been attributed to demoralization and governmental disorder. The Yankees especially chaffed us on account of our disordered conditions, and pretended to justify their interference in our affairs by making this accusation against us.

Has such a rare instance of iniquity ever occurred in Spain? It furnishes further evidence of the frivolity and perfidy of the war into which we went blindly and in an exhausted condition.

However, Japan may some day make a neat return to the Yankees for their nice treatment of us by confronting them, after a possible defeat, with this and other cases of corruption

Here is one from a paper in Germany:

BRIBED CONGRESSMEN.

[Translation.—From the Berliner Tageblatt, issue of March 13, 1908.—Special cable from our correspondent.]

NEW YORK, *March 12.*

According to a dispatch from Washington, a Congressional inquiry is at the present time being held concerning the Electric Boat Company, on account of the accusation which has been made publicly, averring that the said company had bribed Members of Congress for the purpose of inducing them to support the purchase by the Government of submarine boats built by the Electric Boat Company and to influence legislation in that direction. Congressman Lilley, who has been questioned by Congress as a witness, added the following deposition: "I accuse the company to have made exorbitant profits, amounting to a million dollars, because the legislative body of the United States has given the inferior boats of the Electric Boat Company the preference over the superior boats built by other companies."

YANKEE CORRUPTION.

[Translation.—From Ejercito o Armada, Madrid, issue of February 25, 1908.]

Another serious case of corruption has very recently been discovered in the United States in relation to the increase in the number of ships.

Roosevelt's programme comprises four battle ships and four submarines. The Naval Committee has decided on two battle ships and eight submarines.

Mr. Lilley, the Congressional Representative for Connecticut, has shown that the reduction in the number of battle ships is due to the doings of a firm of submarine-boat builders, which succeeded in bribing the members of the Naval Committee.

Mr. Lilley has moved the appointment of a Congressional commission to make an investigation of the facts in the case.

The occurrence has made a painful impression in the United States.

[Translation.—From the Schlesische Zeitung, Breslau, issue of February 22, 1908.—Dispatch to the Schlesische Zeitung.]

LONDON, *February 22.*

The following occurence is reported from New York: In the House of Representatives Congressman Lilley accused the Electric Boat Company and the Holland Submarine Company of having influenced by dishonest means the present as well as previous programmes for the building of ships for the United States Navy. According to the accusation made by the said Member of Congress the two aforesaid companies succeeded in inducing the House of Representatives to modify the present programme for the building of naval vessels in accordance with their wishes, in respect to the construction of submarine boats, notwithstanding most energetic opposition on the part of President Roosevelt, the Secretary of the Navy, and the naval experts. This is the second time that American firms have been accused of having exercised a corrupting influence on the House of Representatives in respect to Government supplies.

These are instances of what is happening all over Europe.

Q. Are those articles signed?—A. Not any more than those you have admitted in the record here.

Q. Do you know who wrote them?—A. No.

Q. Do you know who cabled them?—A. I got them from a bureau of clippings, that is all.

Q. You do not know who caused them to be cabled?—A. I have not the slightest idea.

Q. You are positive it was not your company?—A. Absolutely. Why should we try to ruin ourselves in this way?

Q. Are any of the charges, suggestions, or insinuations in any of those articles as to the efforts of your company or the success of your

company in corrupting or attempting to corrupt Members of Congress true?—A. Absolutely false. You see Congress, I think, and the people of the United States have been made—I do not like to use the word—well, I will say have been attempted to be made the instrument of promoting an unsuccessful boat as against a successful one. That is the whole object of all this. If Mr. Lilley had been actuated only by upright motives, why did he wait until the appropriation bill had been voted upon by the committee? He says it has been a stench in the nostrils for years and years. Mr. Lilley has been in Congress for years, and why did he wait? Lessler waited until an appropriation could be defeated and so did Mr. Lilley.

Q. We do not care to have any reference to Mr. Lilley. Mr. Lilley is a Member of Congress——A. Excuse me, I will have it taken off the record if you like. I perhaps am carried away about it.

Q. Mr. Lilley is a Member of Congress. It is incredible to us that he could have any motive in doing your company an injury; but he may have thought your company was doing wrong, and therefore ought to be stopped. You do not mean to charge that Mr. Lilley has any interest in opposition to your company?—A. I do not. I do not charge that Mr. Lilley has any pecuniary interest whatever in the Lake Company. I do not charge such a thing for a moment; but I do charge that he is promoting the pecuniary interest of the Lake Company, unwittingly, as I fully believe, but he is giving the Lake Company—you know how trusts are created.

Q. I do not know anything about it.—A. Trusts are created by unfair competition. That is the mother of trusts. As soon as one man has the same chance as another, as long as the railroads do not give one man a rebate so as to give him an unfair advantage, each man then is as good as the next.

Q. If your company succeeded in securing a monopoly by legislation or from favor of the Navy Department, then you would come pretty near being a trust, would you not?—A. If we acquired the Lake Company we would; yes.

Q. If by legislation of Congress or by the favoritism of the Navy Department you could exclude the Lake Company or any other company from getting any contracts for boats, you would be a monopoly just as much as though you owned them.—A. We would have a perfect right of a monopoly to our boats. That is guaranteed to us by the United States Constitution. We have a monopoly of our patents.

Q. It would exclude everybody from competing with you. If they did not get a chance to compete and get a contract, you would still have a monopoly just as perfect as if you owned their company, and it would perhaps cost you less.—A. If you mean by that, if we go through a competition, and that takes a couple of years to do that, and then we succeed, Congress should make no appropriation again until there is another competitor, even if three or four years might elapse, because in the meantime we have a monopoly, I would say such a course would not only be unjust to us but adverse to the interests of the country. The proper course, in my estimation, is to go on building the best until a competitive boat equally good is again offered, for we have always been met by competition, and unfair competition at that. I consider the competition of the Lake Company unfair in two ways. First, after being beaten they still got a contract. That is No. 1. That shows that company has influence,

and therefore a value which does not depend upon their boat, as they still can get a contract, although proved unfair in competition. In the second place, if by these machinations they create an ill will against us so that Congress will not vote any appropriation as long as we are the only people in the field, then there is another unfair method of competition. So, in the first place, if the defeated competitor gets a large part of the fruits of the competition, showing he has influence, and, in the second place, if he is able to spread slanders broadcast and make them even the subject of investigation by Congress, we have a situation, which, if this was a business proposition merely and not a matter of public concern, would justify the boat company in buying them out. Now, I may say that during the competition, before the competition, during the competition, after the competition, even to this very day, these negotiations upon the part of the Lake Company have been going on to get us to buy them out, and even since the sessions of this committee.

Q. Could your company buy out the Lake Company?—A. Certainly.

Q. Let us have that distinctly. You say that negotiations have been going on?—A. Yes, sir; before the competition——

Q. Before the competition?—A. During the competition, after the competition, and after the sessions of this committee. The last was, I believe, the 25th of March.

Q. March, this year?—A. Yes, sir.

Q. To what competition do you refer?—A. Before the competition of the *Octopus* and the *Simon Lake X*, at Newport.

Q. There was a recent test of the Lake boat somewhere?—A. Yes, sir.

Q. Was your company in competition in that test?—A. Yes; I think—what test do you mean? No; there was no test. A few days ago?

Q. Yes?—A. Oh, I know nothing about that. I am referring to the competitive tests as to this——

Q. Has your company participated or been invited to participate in a competitive test within the last two or three months?—A. No. The competition stopped last May.

Q. Will you state in what manner negotiations have been attempted with you or your company to induce you to acquire the Lake Boat Company since this committee has been in session?—A. Yes. They were continuations of the old attempts.

Q. What were they?—A. There was a proposition made that we should buy them out at a certain price.

Q. Who made the proposition?—A. Well, it was an emissary of the Lake people.

Q. Who was it?—A. I must give his name?

Q. Yes.—A. His name was Hugh Grant Brown.

Q. Where does he live?—A. In New York.

Q. An officer of the Lake Company?—A. No; he was a business man. There was nothing wrong as far as he was concerned. He tried to earn his commission.

Q. Perhaps he was simply negotiating on his own account. Did he claim to represent anybody?—A. Yes, sir.

Q. Who?—A. He claimed to represent Mr. Lake.

Q. What was the price?—A. We were to pay them—there were various prices. If you want the whole story; the first offer was before the competition took place.

Q. What was the price named then?—A. The price named there that we should pay them was $2,000,000 in the event—I think it was $2,000,000—in the event that the Lake Company won out in the competition.

Q. What were you to pay them if you won out?—A. If we won out we were to pay them $500,000.

Q. Why did not you take the $500,000?—A. I did not say that I agreed to do it. I said these were nogotiations and offers.

Q. When was the offer made to you?—A. I told them this was to be an honest competition, and I would absolutely do nothing that would make this a fake competition under any circumstances, and that the competition must——

Q. Was it suggested to you that it should be made a fake competition?—A. Naturally it would become a fake competition. If I know beforehand that I am going to buy my competitor out, I do not call that an honest competition.

Q. Perhaps I do not understand the proposition if you won.—A. We were to pay them $500,000.

Q. That would not be a fake competition. I should think you would try very hard to win.—A. Perhaps so.

Q. If they were to get $2,000,000, they would try very hard to win.—A. I did not look at it in that way. I did not think it was honorable that there should be an agreement between these two competitors.

Q. What was the next proposition?—A. Then I told him that I would do nothing which would prevent this from being an open, fair competition in every respect and a fight to the death. If you have the better boat, as they claimed they had, then I said we would go out of business, "and if we have the better boat then we are not going to pay you anything. In the second place, I am not going into this competition on any such arrangement."

Q. What was the next proposition made to you?—A. I am sorry I did not bring the memoranda.

Q. Approximately.—A. Approximately—that was made by another gentleman.

Q. Who was that?—A. He was closer to Mr. Lake, and that was Mr. Charles R. Flint.

Q. Where does he live?—A. In New York.

Q. What kind of a proposition did he make?—A. I did not expect to be questioned about this, and did not bring the memoranda along, but the proposition that Mr. Flint—there were two interviews—there was a proposition something to this effect, that the two companies should coalesce, and a third company be formed, and the value of the patents, plans, and whatever they might have, of each company, should be appraised by appraisers—we should name an appraiser and they would name an appraiser, and the two would name the third—and according as the appraisers might decide would be distributed the interest in the new company. That was made after it was known that—it was made when it was known that the *Octopus* outclassed the *Simon Lake X*.

Q. When was *that*?—A. That was the latter part of May, 1907.

Q. Then there was no specific price?—A. Yes, there was a price also. I think the price was to be fifteen hundred thousand dollars as an alternative proposition.

Q. When was the next proposition made?—A. Now we come to recent dates. This last proposition, negotiations, began March 12 this year, and then I told him that it was impossible for me to negotiate now, as we were under investigation.

Q. Who made the proposition?—A. This was again Mr. Brown.

Q. Did he offer you any terms, fix any price?—A. Yes, sir. He did not—he said he would not have the "gall," as he said, after our performance in the competitive trials, to ask as much as he asked before the competition. He said to me, "Then you have nothing to suggest; you are a hard man to get along with, as you never suggest anything." I answered that it was a fact that I had nothing to suggest. Then afterwards, perhaps a week later——

Q. Is that a letter from Mr. Brown [referring to paper in the hands of witness]?—A. No, no; this is a memorandum I made. About a week later another proposition was made, and that was a reorganization of the Lake Company. I was invited to attend a meeting by Mr. Brown. I know that Mr. Flint and Mr. Lake and Mr. Berg, the other European agents, were present at Mr. Flint's house, and I told Mr. Brown that I would not go to Mr. Flint's house. That must have been—it was on a Thursday, I think, about a week ago. It was quite recent, and I refused to go. They asked me whether I would meet them at the yacht club and I refused to meet them there.

Q. What yacht club?—A. The New York Yacht Club, and they then asked me whether I would meet them at one of my clubs. I said no to that. Finally, Mr. Brown came to my house, to my hotel, and his proposition then was that there was to be a new Lake Company, in which they were to buy out the interest of Simon Lake for a million and a half of stock, and afterwards he told me later he wanted an additional 5 per cent royalty on all boats built under his patent, and then there was to be a division of business between the two companies. We were practically to get control of the new Lake Company when they got ready, and in the mean time we could arrange to divide the business. That is what I say the secretary has been doing, based on the same plan, dividing the business. And I treated that like I did everything else; I said, "We are not going to make any arrangement to divide this business." In other words, the word "monopoly" has a very bad sound; but since we have the best boat why should we divide business; why should the United States buy the poorer article?

Q. Do I understand that the suggestion to you was that the new company should be, so far as the public was concerned, alive and competing for business?—A. Yes, sir.

Q. But really you should control it all?—A. Well, we should have 60 per cent of the business and they should have 40 per cent; that would be the division of the business. But we would get the majority of their stock eventually, so that really we would have about 80 per cent of the business, after having a majority.

Q. Then on all that Congress might appropriate or the Secretary *would award* part of the contract to you and part to them, or even all

of the contracts to you, or all of them to them, you would have that per cent?—A. Yes, sir; in the same proportion.

Q. Now, Mr. Rice, were those negotiations wholly verbal?—A. All. There is only one little memorandum I have in writing. I mean from Mr. Brown. I forget what that was. It was a lead pencil memorandum. I do not remember where it is; I can get it. I had a conversation with Mr. Flint as far back as 1905 in St. Petersburg. Mr. Flint always felt it was foolish for these companies to compete with each other and cut each other's throat; they ought to get together. Mr. Flint is an agent of the Lake Company in Europe, and he was at that time in Russia and I was in Russia.

Q. Is he an officer of the Lake Company?—A. No; he has no interest in the Lake Company here, but he and Mr. Berg together, I believe, control the foreign business of the company.

Q. Who is Mr. Berg?—A. That is another agent of their's. His name is Hart O. Berg.

Q. Is he in this country or over there?—A. He travels a great deal. I believe though some one told me he is in New York at present.

Q. Where does he live?—A. I don't know; he is a great traveler. Now, as I mean to say that all the information that came to Mr. Lilley on which Mr. Lilley is acting is a part and parcel of this scheme.

Q. Who gave it to Mr. Lilley?—A. Mr. Thurston and Mr. Lake. I have seen that in the record, that Mr. Lilley obtained information from those gentlemen.

Q. You say they gave him information to get him to move or to get him to help bring about this deal?—A. I mean to say that they knew about this deal; yes.

Q. You don't mean to say Mr. Lilley did?—A. No; I do not.

Q. Do you mean to say that they gave that information to Mr. Lilley because they had this deal in mind?—A. I will give you an illustration. When the question came up of paying them anything if they were defeated, I said, "What is the use of paying you anything if defeated in that first proposition?" He said, "We will be worth that anyhow, even if we are defeated."

Q. I want to question you a little more closely about one matter. It did not appear to be clear in regard to Mr. Brown in what way he represented the Lake Company, if at all. What reason have you for thinking that he represents the Lake Torpedo Boat Company?—A. Well, I have this reason for thinking. In the first place I have known him for years. He would not go and tell me that. I consider him a truthful man.

Q. What is his business?—A. I should call him a promoter.

Q. Might he not have been striving simply to bring about a promotion, to get you gentlemen together without especial authority from either one of them?—A. It may have stood like that. Finally Mr. Flint told me the proposition about the forming of a new company; that he had consulted with Mr. Lake.

Q. Which Lake?—A. Simon Lake; and in this meeting with Mr. Brown insisted I should go. There was telephone conversation going on in my office between them, and Mr. Brown asked me to meet Mr. Lake with Mr. Flint.

Q. There is another question that occurs to me to ask, Mr. Rice. It was *charged in an article* published in the Washington Post,

referred to by Mr. Lilley in his statement before the Committee on Rules, and which it appears was dictated by him, or at least the responsibility assumed by him. This is the language: "There are no tricks in the way of lobby work and influencing Members that the Electric Boat Company are not adept in. Sentiment is worked up in every conceivable manner. Attorneys have been hired who have usually been influential politicians from the home districts of members of the committee. They have brought all sorts of pressure to bear on individual Members, and even candidates have been brought into the field to contest the nomination of Members who have opposed the company's policy." What do you say as to that?—A. I say it is absolutely false, with the exception that on one occasion—and the reason for that I can not tell because I am not in charge of the attorneys of the company—it happened to be that we had employed, on one occasion only, it was Mr. Gordon. He lived in Mr. Loud's district. That does not refer to Mr. Kellogg, because Mr. Lilley has no district; he is Congressman at large. So that really in only one case, not for the purpose of influencing, and so I say the whole story is false with the exception of that one statement, that we have employed one attorney in a district where a Member resided.

Q. Was Mr. Gordon employed to bring pressure upon any member of the Naval Committee?—A. No; certainly not.

Q. It is also charged in such language in that charge as follows: "They have even gone so far as to find out what new Members of the House have applied for positions on the Naval Affairs Committee, and they have assumed to have influence in securing the assignment of Members on that committee. It has also been said that they have contributed to individual and party campaign funds."—A. About the first, it is absolutely false. That is all I can say about it. We never claimed to have any influence with the Speaker, and it is an outrage to say such a thing.

Q. What about the second?—A. That we have contributed to campaign funds?

Q. Yes.—A. Absolutely false.

The CHAIRMAN. Does any other member of the committee desire to ask Mr. Rice any other questions?

By Mr. STEVENS:

Q. Mr. Rice, do you know—could any contributions to campaign funds be made without your knowledge?—A. Of the company? No it is not possible.

Q. Do all the financial plans of your company pass under your control?—A. Yes; that is one of the most important matters, the finances.

Q. You insist on that?—A. Absolutely.

Q. When you are absent abroad, how do you ascertain how moneys are paid out by the company?—A. I have statements sent to me from time to time; I must keep fully posted as to the finances of the company.

Q. Have you given any instruction relating to that sort of work by the company, interfering in political matters by influence or contributions or anything of that sort?—A. Such a thing never occurred to me in my wildest dreams.

Q. Has anybody solicited contributions from you?—A. From me? Never.

Q. Or your company?—A. Never.

Q. Or any of the officials of your company?—A. Never to my knowledge.

Q. Now you stated that you had experience in handling the affairs of your company in Europe?—A. Yes, sir.

Q. So that your experience is quite extensive?—A. Yes.

Q. In having adopted various types of these boats by different governments?—A. Yes, sir.

Q. What do you consider would be the effect, the necessary effect, from a business man's standpoint such as you occupy, of adopting a policy of tests only to provide a standard of excellence, and later that standard of excellence is adopted, the Department reserving the right to purchase any boat equal to that standard? You understand what I mean?—A. Yes.

Q. Would it result in the competitors furnishing its best boat, having all the combinations of excellence that you have fulfilled or, as a business proposition, would a competitor only furnish a boat equal to the standard and reserve some points he might have and yet have won in the competition?—A. The latter proposition is undoubtedly true.

Q. Why; we want to know. There are those two different policies; explain why.—A. The one policy of strict competition, where the competitor wins he does not know what the other man is doing, and expends his best efforts to secure the results, and he puts himself in a position that more will be demanded from him. On the other hand, if the policy to use simply a standard and then divide the appropriation, he thinks he might as well make the standard as low as possible, so that the least possible will be required of him. I will give you an idea of what it means. When I started in this business—perhaps I might say I never should have started if I would have known the rapidity with which the requirements increased—in other lines of business you satisfy your customer; then you have him, and you go on with it leisurely, but in this business we have never had rest whatever. First was the *Holland*. While I was investigating about that boat I contended that one equal to the *Holland* was all that was necessary. I compared the submarine boats to a submarine mine; I simply argued if a mine is valuable, which is stationary, how much more valuable is a thing which is movable, even only at the rate of 6 knots an hour. When the *Holland* was a success I thought that now we could go on with the business and experiment and speculate on the future. But as soon as the *Holland* type was adopted the Navy Department said, "No more *Hollands*." While it is true that the appropriations specify *Holland* types, the Navy Department would not give us the contracts excepting on a boat superior to the *Holland*. When we had in the *Holland*, for instance, an engine whose horsepower was about 70 and the new boat called the *Adder* type required 170 horsepower, it was a question at that time with the engine builders whether they could furnish 170. It was a very serious thing to have taken that contract, with all its unsolved problems. I think that unless we had secured the services of Mr. Spear the enterprise would have been a complete failure. Mr. Spear had that combination of knowledge and genius which made the thing go, and he made a great success. Then I thought we would have some *peace and be able* to build these boats, but not at

all. When the competition was over where we won with the *Fulton* boat, the Government said, "We want no more of them, the four new boats must be much larger." In three of the boats where we jumped from 120 tons, as it is called, to 180; and in the case of the *Octopus*, I think, from 130 to 275. That meant a new invention in engines. We have a company called the New Jersey Development Company; the principal business is to develop engines. Science has not progressed far enough for us in other branches, so that we had to make progress for other branches in science. We finally found an engine which was developed, and a success. We thought we would now be all right; but no, they said the *Octopus* is a very fine boat; we will have four of those, but you must have three still better. So it goes on.

Q. Right at that point, is it not possible, then, that the Department, by fixing the standard of specifications and conditions, and then determine by tests the standard of excellence, can not they compel you to furnish the very best that you have; that you would not dare to reserve any points of excellence for future use?—A. I think I can give you an illustration. I am not a technical expert, and perhaps I am wrong, but this is my view of it: The Department made a contract for a Lake boat of 500 tons, and yet it required actual guarantees practically no better than ours of 340 tons.

Q. That is to say, the results that the larger boat can accomplish are the same as the smaller boat?—A. Yes, substantially; and now if the Department had said to us, we want a 500-ton boat, then in all likelihood we would have produced something far superior than what is expected in this Lake boat of 500 tons if our 340 boat equals it.

Q. So you are convinced, as a businesslike proposition, from your point of view as a business man and as a patriotic expression from the standpoint of public service, that you attain better results by having a strictly competitive test and awarding the successful competitor the contract?—A. It seems to me the only way.

Q. Now, feeling that way, did you desire that legislation that is embraced in the appropriation bill now pending—the naval appropriation bill?—A. That is, whether we desire it? Yes; we are pleased with it, I mean to say.

Q. Did you do more than that; did you cause that form of amendment to be adopted and urge its adoption?—A. No, I did not.

Q. Do you know whether any agent or attorney in your company did that?—A. That I do not know.

Q. Would you know?—A. No.

Q. Might they not have done that and you know nothing about that?—A. Oh, yes; that would be a detail, the form of bill. They might consult me as to what is desired for the company.

Q. If that would be true, then you think it would be a good thing for your company and a good thing for the Government?—A. Yes, that is what I think. Nothing can be good for our company which is not good for the Government.

Q. Would you try to have the same policy in dealing with foreign governments?—A. What policy?

Q. The policy providing for an exclusive contract by competition and the competitor to have the whole contract.—A. In foreign countries, you see, I have nothing to do with governments, as a rule—the

exception was a single contract with Japan—but to deal with the shipbuilding concerns. They make the contract. I may say it is a matter of public notoriety. There are two methods of producing results; one is common in France. The navy department itself there try out all kinds of things, of twenty or thirty different types, and have sort of a heterogeneous mass of boats, which has been called a fleet of samples; or to do what the English Government did. The English Government from the start took the view that this should be a government development in connection with private enterprise. They have a system there which we have not got, of secret patents, so that the Government made an agreement under which Vickers Sons & Maxim were prohibited from building for any other government; but they are the only shipbuilders who have the right to build for the English Government for a long period of years, and the development has been going on with the Government and company giving their mutual aid, patenting jointly all the inventions they make. I do not think that is possible in this country.

Q. What is the policy of your company in acquiring patents here?—A. We acquire everything that we think is of any value or any bearing on the subject. Our patent system is one of the most complete in the world. We have over 600 patents. Our patent fees alone cost us about $50,000 a year, because in foreign countries you must pay renewal fees.

Q. You own or control all of these patents?—A. All of these we own outright.

Q. Part of those you use, and I presume others you prevent other people from using.—A. You can not always tell. Sometimes you have an idea which in itself is not yet practicable, but which is necessary to patent because some one else may obtain the idea later; it may prove worthless or a great success.

Q. You are conducting experiments, then, with these various patents that you acquire?—A. Constantly.

Q. It is stated by Mr. Lilley that the submarines now constructed and under contract and those provided in the proposed legislation are inferior in type, speed, power, armament, and efficiency to those now in possession of and under contract for construction by foreign countries.—A. Why does not Mr. Lilley give his authority? He says that is stated; who stated it?

Q. What do you know about that?—A. I never heard of it. For instance, the English submarines are absolutely secret through the arrangement I have stated. I suppose it is petty treason to divulge anything regarding submarines. The French keep everything secret and the Germans, too, so I do not know where the information comes from.

Q. What do you think—that the results to be obtained from the submarines you construct would be equal to the results that could be obtained from the submarines of England, France, Germany, or Russia?—A. From what we see in papers, and that is all I go by, the *Octopus* has exceeded everything that has ever been done in the world in the way of under-water speed, beyond comparison.

Q. Do you know about the details of the different lines in your work, newspaper publicity, the making of contracts, or obtaining of contracts; do you keep run of those things yourself?—A. The details

or contracts with the Navy Department? No; I am not familiar with those details; publicity—we haven't any.

Q. Do you know—have you authorized any contracts with different companies for furnishing supplies that would be contingent on proposed or competitive contracts with the Navy Department?—A. You see most of this material and supplies we have nothing to do with. We have a subcontract with the Fore River Shipbuilding Company, and they would be the ones principally to buy material and supplies.

Q. What I mean is this: Do you make promises to manufacturers in different parts of the countries and state that if they will assist in obtaining favorable legislation for submarines that you will give them a certain portion of the contract?—A. I never heard of such a thing.

Q. Wouldn't you know if such contracts had been authorized by your company?—A. Considering the way we do business, I don't think it is possible. As I say, the materials are principally ordered by the Fore River Shipbuilding Company.

Q. In your method of doing business, such contracts would be made by the Fore River Shipbuilding Company and not by your company?—A. It would not be by us at all, as a rule.

Q. Do you make contingent contracts with attorneys or agents by which they attempt in getting favorable legislation and get their compensation based on that legislation?—A. No.

Q. Haven't you made such a contract?—A. I have no doubt that in the beginning of the struggles of this company when it had neither money nor business, long before I was in the field, that they may have made such contracts.

Q. Do you know about how much money you have received from the United States Government for contracts up to the present time?—A. Yes, sir.

Q. And you know about the amount of profit that your concern has made out of those contracts?—A. Well, we have not made any profit.

Q. Have you not made any profit?—A. No; because you must remember the Electric Boat Company—not going back to the Holland—is in business for nine years, and we have, as you must understand, a very expensive staff of engineers, and expensive patents to maintain and to purchase, and that constant experiments are going on which we can not stop because we have no business from the Government. During that entire period we had a contract for seven boats in 1900, and another contract in 1905 for four boats. Now, those eleven boats are the only ones we could have made a profit on What we are going to make out of the new contracts nobody can tell.

Q. There are charges made you have made in profits $2,000,000, excessive profits, out of previous contracts.—A. That is absolutely false; there is absolutely no basis for it.

Q. Do you know how much the aggregate of those contracts have amounted to?—A. Yes, sir. The first contract was seven boats at $170,000, that was $1,190,000. We certainly did not make a million dollars excessive profit on that.

Q. That refers to all previous contracts?—A. That contract was for $1,190,000, and the next for $820,000.

Q. About $2,000,000?—A. Yes.

Q. The contract before that?—A. No; one except the *Plunger*, as to which we paid back to the Government all the money expended by it.

Q. How much was that?—A. The Government had spent about $92,000 on the *Plunger*.

Q. You paid it back?—A. We paid it back.

Q. So that out of that $2,000,000 you have not made a million dollars excessive profit?—A. It is laughable; you can not treat such a thing seriously.

The CHAIRMAN. Is there a member of the House present who desires to ask this witness any further questions?

By Mr. OLMSTED:

Q. At any of those interviews concerning which you have testified concerning the fixing up and joining the interest of these two companies, was there any discussion of this investigation?—A. Yes, sir; there was on one occasion.

Q. When was that?—A. That was the one on March 12.

Q. What was said about it?—A. Well, it was not with Mr. Lake; it was with Mr. Brown, and undoubtedly he voiced his own ideas about it.

Q. What did he say about it?—A. In general terms I think he did not consider that this investigation would be an obstacle to making the arrangement.

Q. Was there anything said about legislation by Congress?—A. About this question I do not like to mix up Mr. Brown in this matter, because he may have spoken entirely without authority, but he did say that, in his opinion, that if we made any such arrangement that this investigation could be stopped. In fact he said that the arrangement could be made contingent on this investigation being stopped.

Q. Did he say who could stop it? Let us hear who could stop it.—A. He said they could do it through Senator Bulkeley.

Q. Was anything said in any of those interviews on the subject of securing legislation by Congress?—A. No.

Q. Was anything said about the contract recently let to the Lake Boat Company?—A. No; I don't think so.

By Mr. STEVENS:

Q. Just a few more questions Mr. Lilley has asked to be propounded. You stated that you had completed contracts amounting to about $2,000,000?—A. Yes.

Q. What is the amount of the contracts that you have on hand not yet completed?—A. $2,220,000.

Q. And the fourth would make an aggregate of something over $4,200,000?—A. Yes; for over ten years.

Q. How many boats in the aggregate, including those built and those now under contract?—A. That would make it eighteen. Of course I must add to that the sale of the *Holland*, which was not built under contract.

Q. Now, would you say that you had not made a million dollars' profit on what you have done and your contracts now in hand?—A. We have just begun the new contracts; we are only in the very first stages of it.

Q. When will you complete that?—A. It will be another year at any rate.

Q. Will you state that you will not make a $1,000,000 out of those $4,200,000 in the aggregate?—A. You mean whether there is a profit?

Q. A million dollars excessive profit?—A. It is absolutely impossible to say what our profits are going to be on this new contract. It may not be any. We thought we would have much profit or a fair profit on the other one, but after all the experiments and trials we found the profits were reduced to a minimum. We must charge our general administrative expenses. I can not tell what the profits are before they are made.

Q. What can you give as to the address of Mr. Flint and Mr. Brown?—A. I suppose you can find them in the city directory—New York directory.

Q. Will you please furnish us with those addresses?

Mr. LITTLETON. We will get the addresses.

Q. When was the competitive test for the *Octopus* won?—A. That lasted for a month.

Q. When was it?—A. I think it started April 30 and ended May 29, 1907.

Q. Was that test postponed at your request?—A. No; I think not. The Government found the weather too bad; I mean the season—too much ice.

Q. Has the Government ever accepted the *Octopus*?—A. She went through the trial, with the exception of the long sea trial; then she met with an accident to her engine, I think, which prevented her being accepted. She is being made ready now.

Q. Then she has not been accepted?—A. The *Octopus* has not been accepted yet.

Q. What portion was it of the engine that broke down?—A. I really do not know.

Q. Who does know?—A. Mr. Spear. I am just informed now that it was the connecting-rod bolt which broke.

Q. That is not one of the very difficult parts of the machinery?—A. I will take Mr. Spear's testimony for my own.

Mr. SPEAR. The connecting-rod bolt is in itself a small portion of the engine, but the breaking of such a bolt while the engine is at work at high speed frees certain of the other parts and allows them, instead of being held in proper position, to fly free, such as the end of the connecting rod, etc., and the result of such an accident always is to cause damage to many other parts of the engine, which it did in this case; caused very serious damage to the bedplate, to the housing, the piston, and cylinder, which were affected and worst of all to the crank shaft, which was so swung out of position as to require a new one.

(Examination of Mr. Rice resumed.)

Q. How did Mr. Brown make his first proposition?—A. To me?

Q. How did he make his second proposition?—A. To me.

Q. How did Mr. Charles R. Flint make his proposition?—A. To me.

Q. Who asked you to meet at the yacht club and at Mr. Flint's house?—A. Mr. Brown.

Q. Now, when you spoke of meeting various gentlemen you used the term "they." Whom did you mean by the term "they" in your testimony?—A. I do not remember who it refers to. You mean in Russia?

Mr. LITTLETON. At this conference that Brown was arranging.

A. The people whom I was to meet?

Q. Yes.—A. It was Mr. Lake, Mr. Flint, and Mr. Berg.

Q. Whom you referred to as the agent of the Lake Company?—A. Yes, sir.

Q. You have stated that Mr. Lake furnished Mr. Lilley information. Do you mean to say that Mr. Lake and Mr. Lilley have talked this investigation over?—A. No. I am speaking simply of those charges made against us, that they are based on stories which Lake has been circulating against us.

Q. Have any stories come to you that Mr. Lake has been circulating stories about this investigation?—A. Not about this investigation, but these rumors, stories, have been circulated by Lake in Europe and in this country constantly.

Q. In such a manner as you have alluded to in these newspaper clippings?—A. Of course I refer to these stories about us, that we won out through unfair methods, that we corrupted the boards, and I suppose he let it be understood, although I never heard that so frankly expressed, that we corrupted Congress. These stories, these persistent rumors, are all traceable to the Lake Company and their satellites.

Q. And do you charge these various rumors and various attempts to Mr. Lake?—A. To his company. I mean to the people with him. I do not mean to say to Mr. Lake personally.

Q. What foundation have you for that?—A. Because those things have come to me all the time I was in Europe. For instance, to give you an idea, when we were building through a Dutch firm there was a Dutch officer in charge of that boat for the Dutch Government as inspector, and the Lake Company invited him to come to America and see their boat at Newport News. I was surprised that while in America he did not call on us. I met him afterwards and asked him why he had not done so. "Well," he said, "to tell you the truth, now that I do see you, I know that you have been maligned. But the Lake talked so about you and your company I did not want to see you."

Q. When was that?—A. 1905 or 1906.

Q. When and how did you learn that there was to be an investigation concerning your affairs—dealing with Congress and the Department?—A. I think I was in Washington; I am not sure, though.

Q. You were in Washington at the time?—A. I am not sure.

Q. Who told you about it?—A. I know I read it in the newspapers the next day, but I really could not tell you. I would like to have this, Simon Lake's plea to President Roosevelt, which I think contains the substance——

Q. Let us finish this first. When was it that you first learned about this investigation?—A. I think now—I can not remember exactly—but I am under the impression that Mr. McNeir called up Mr. Frost on the telephone. Yes; that is it.

Q. Where were you?—A. I was in New York.

Q. Was that before or after the publication in the newspapers?—A. Before. Of course I saw it in the newspapers the next day. I remember the whole circumstances now. I had a lot of newspaper men after me that evening, so I do remember it.

Q. Was that before Mr. Lilley introduced his resolution?—A. That was when Mr. Lilley introduced his resolution to investigate our conduct, I believe.

Q. You were informed by telephone from Mr. Frost?—A. From Mr. McNeir.

Q. Now, what information have you concerning the contract that was obtained by the Lake Company?—A. I have directly no information whatever.

Q. Any information given to you?—A. Excepting what was in the newspapers.

Q. But haven't your various reports from your agents or attorneys conveyed to you any information?—A. The only thing is we were waiting for the balance of this appropriation to be given us and we did not get it, finally finding in the newspapers that Lake was given a portion of it.

Q. You finished your competition about the 1st of June?—A. Yes.

Q. And the contract was made by the Navy Department with you when?—A. I think that was late in November.

Q. For how many boats?—A. Seven boats.

Q. How much did that involve?—A. Two million two hundred and twenty thousand dollars.

Q. How much remained of the original appropriation?—A. Seven hundred and eighty thousand dollars.

Q. Did you make any demand or request upon the Department for the contract for that remaining sum?—A. I have no doubt it was made in due course. I did not, personally.

Q. Did your company, under your direction, make a demand for contract?—A. Certainly. We wanted the balance of the appropriation.

Q. Did you take the ground that you were entitled to the contract covering that?—A. Certainly.

Q. And that was resisted by your competitor?—A. It was resisted by the Secretary. Of course our competitors endeavored——

Q. Where were you last June, July, and August?—A. In Europe.

Q. So that you knew practically nothing about what was going on?—A. No.

The CHAIRMAN. Does Mr. Howard desire to ask any questions?

The WITNESS. I should like leave to submit this as part of my testimony, that the Lake Company have been circulating these outrageous stories long before this investigation.

The CHAIRMAN. Will you describe it, please?

A. It is a letter, "Simon Lake's appeal to President Roosevelt. Bridgeport inventor asks him to cancel certain Holland submarine boat contracts and enforce the statutory and criminal law of the United States," in the Bridgeport Evening Post, Saturday, April 1, 1905. There is another clipping in which he intimates that we were trying to sink his submarine boat. This is from some paper of Bridgeport; it is of February 24 of this year: "Mysterious attempt to sink submarine torpedo boat *Lake*. Detectives at work for two weeks to get clew to culprits. Damage of $22,000 done to storage batteries of unique class seriously interfere with negotiations under way for private sale of craft to United States Government."

Q. There are a few more questions Mr. Lilley desires to submit. What is the business address of the Electric Boat Company in New York?—A. Eleven Pine street.

Q. State whether or not your offices and those of the Electric Boat Company are practically the same.—A. My office is with the Electric Boat Company.

Q. What was your official connection with the Holland Torpedo Boat Company, and what is your relation with the Electric Boat Company?—A. I am president of both.

Q. Is there such a concern as the Holland Torpedo Boat Company?—A. Yes; that is to say, it is not an active concern.

Q. It is one of the constituent companies?—A. It is one of our constituent companies and is now not doing any business.

Q. When did you first become connected with both companies?—A. 1899.

Q. State whether or not you have an intimate knowledge of the affairs of the Electric Boat Company.—A. Yes.

Q. State whether or not the treasurer of the Electric Boat Company is your private secretary and state the name of your private secretary and the names of the treasurer of the Electric Boat Company.—A. You have them both here; they are both subpœnaed.

Q. What are their names?—A. Maurice Barnett is secretary and treasurer and August Treadwell is assistant secretary and treasurer. Mr. Barnett has also the further qualification of being my brother-in-law and Mr. Treadwell of being my private secretary.

Q. How long have they occupied official positions in the company?—A. That I could not tell you.

Q. Could you not tell how many years?—A. You know we had several treasurers before Mr. Barnett, for four or five years.

Q. Who was treasurer before Mr. Barnett?—A. Mr. Dulles.

Q. How long was he treasurer?—A. For several years; before him Mr. Lloyd. You have had anonymous communications referring to them.

Q. State whether or not Mr. Barnett or Mr. Dulles generally consulted you before making any payments of money on behalf of the Electric Boat Company?—A. They would have a lot to do if they would always want to consult me every time they paid a bill.

Q. Didn't you have direction of financial matters?—A. General directions and the treasurers signing checks on vouchered bills are quite different things. I very seldom see a check.

Q. You, with the board of directors, lay out the general policy of paying?—A. Oh, yes; of course. Our system is this, every bill must be properly authenticated by the proper officer.

Q. Who is the proper officer to incur expense?—A. It depends upon who incurred it. If material is bought it would be the officer who bought the material, etc.

Q. In obtaining contracts, expenses for agents, and attorneys, who has that authority?—A. These are expense accounts; various agents have to submit them.

Q. Who?—A. They must submit their accounts.

Q. Who has authority to employ attorneys and incur expenses for such work on behalf of the company?—A. Mr. Johnson is our general attorney and he has authority.

Q. Is he the only one?—A. He is our general attorney.

Q. You have authority, of course, to hire attorneys?—A. I might have, but I never do, because in a business like this it is necessary to proceed systematically; Mr. Johnson might come and consult me.

Q. Has Mr. Frost authority to hire attorneys?—A. Frost & Johnson are a firm; they are our attorneys.

Q. They have general direction of that branch of your business?—A. Yes.

Q. State whether or not the treasurer makes any payments from the Electric Boat Company's fund without the countersigning of the president or vice-president of the Electric Boat Company.—A. No.

Q. For what purpose are such payments made?—A. For the purpose of the company, the business of the company.

Q. State whether or not funds are given to any officer or representative of the Electric Boat Company for discretionary disbursements, and if so, to whom?—A. No.

Q. State whether you know Gen. L. Victor Baughman, a former director of a branch of the Baltimore and Ohio Railroad, whether you have had any business relations with him.—A. I do not remember such a man. My business relations are very varied and extensive, but I have no recollection of having ever met such a gentleman.

Q. State whether or not you are connected with any foreign submarine boat company, and if so, how.—A. There is a French company, the Societe Francaise de Sons-Marins. They have a license from the Electric Boat Company for France.

Q. Mr. Rice, just a few more questions. State whether or not you are generally familiar with the submarine affairs and submarine developments in the great naval powers naval programmes.—A. No; I have no means of information there.

Q. Do you not keep informed about those things?—A. You see I may control the President of the United States and Congress, but it is really asking too much that I should control all the parliament of the entire world.

Q. Do you not keep informed about the naval programmes?—A. When they are published. I have no means of finding out otherwise.

Q. That is what I mean; that is rather your business?—A. Certainly, to keep informed when published. I thought the intention was to find out whether I had any influence over them.

Q. No, just what information you had concerning them?—A. Yes.

Q. So that you know about what they have planned after it is made public?—A. Yes, sir; after it is made public.

Q. State whether or not you negotiated with England for the use of your submarines or the patents on your submarines.

Mr. LITTLETON. I ask leave, if the committee please, to consult.

Mr. STEVENS. I would state, so that your counsel will understand; I will hand this paper which will show the real purpose of this question to your counsel.

Mr. LITTLETON. In view of that following question I don't think there will be any objection.

The WITNESS. Well, I think I have already said that we have licensed Messrs. Vickers Sons & Maxim for our patents.

Q. Now, I will read this question, Mr. Rice, to put it into the record, from this paper: "Mr. RICE. I quote from page 161, The Evolution of the Submarine Boat, Mine, and Torpedo from the Sixteenth

Century to the Present Time (1907), by Commander Murray F. Sueter, royal navy, the first captain of 'A1' English submarine. Tabulating our submarines we now have the following number:

Programme.	Year.	Where built.	Numbered order of building.
5 of the Holland type of 120 tons (Nos. 1-5)	1901-2	By contract	1-5
1 of 180 tons, A1	1902-3	do	6
3 of 200 tons, A2, A3, A4	1902-3	do	7-9
9 of 200 tons, type A (A5 to A13)	1903-4	do	10-18
1 of 300 tons, type B (B1)	1903-4	do	19
10 of 300 tons, type B (B2 to B11)	1904-5	do	20-29
11 of 300 tons, type C (C1 to C11)	1905-6	do	30-40
5 of 300 tons, type C (C12 to C16)	1906-7	do	41-45
2 of 300 tons, type C	1906-7	Chatham dockyard	46-47
1 experimental boat, type D	1906-7	By contract	48
10 new boats, type D	1907-8	do	49-58
2 new boats, type D	1907-8	Chatham dockyard	59-60

'D' class. This type will embody certain improvements on the 'C' class by having larger displacement, better form for surface and submerged work, greater horsepower, more speed, and certain improvements in the electrical accumulator battery, with probably a more efficient torpedo armament." State whether or not the alleged facts quoted are true to your best knowledge and belief.—A. I haven't the faintest idea whether true or not.

Q. Couldn't you add anything to this?—A. No.

Q. Seriously, Mr. Rice, do you know anything about this proposition?—A. No; as I have already testified. While all of these boats are built under our license, the Government and the Vickers firm keep the details of these boats absolutely secret. If some one has said what they have done to Captain Sueter and allowed him to publish it, it is probably all right.

Q. You do not know how they compare?—A. No.

Q. State whether or not, to your best knowledge and belief, the following statement is correct: In 1900 the United States Navy contracted for the submarines *Adder*, *Grampus*, *Pike*, *Porpoise*, *Shark*, of tonnage about 120; in 1904, the *Octopus*, of about 274 tons, and the *Cuttlefish*, *Tarantula*, and *Viper*, of about 184 tons each; and in 1907 for four *Octopus* type of 274 tons and three *Octopus* type of about 340 tons displacement?—A. That is correct.

Q. State why the United States is contracting for Holland submarines on the basis of 4 of 274 tons displacement in 1907, when England had contracted for 1 of 300 tons displacement four years previous and 10 of 300 tons displacement three years previous to the year 1907-8, United States contracts.—A. I can not answer that question.

Q. Do you know whether that is true or not?—A. I don't know whether it is true or not. I do not know anything about it.

Q. State why the United States is only contracting for Holland submarine of 184 tons displacement in 1904 when England was already building one of 184 tons displacement two years previous and three of 200 tons displacement two years previous to 1904.—A. No; I can not give you any information on that.

Q. Don't you know whether England contracted for larger boats than our Government?—A. No.

Q. I quote from Commander Sueter's book, page 141, "Also, according to Sir. William White, a guaranty was given by the Holland Boat Company that any further improvements made in the United States during the continuance of the agreement should be placed at the Admiralty's disposal through Messrs. Vickers." Mr. Rice, state whether or not you know Sir William White.—A. Yes, sir; I met him once. So as not create an idea of friendship, I had met him only once as far as I can remember.

Q. Did Sir William White, as chief constructor of the English navy, negotiate with your company for the contract for the first five English submarines?—A. He was one of the officers.

Q. Did you personally negotiate the contract?—A. Yes.

Q. State whether or not you contracted in effect that the English should get the benefit of all United States Navy development of the Holland submarine.—A. That has been explained.

Q. What do you know about it?—A. What I know about is this, because the idea is very largely my own, the idea of these licensed agreements. The British Government gave Vickers Sons & Maxim, as I told you, a long-time contract on condition that they would maintain secret everything that the Government does, that their inventions are, and those of the Government are, I believe, inseparable. In other words, you can not say whether it is a Vickers invention or the Government invention. Therefore we have an agreement that wherever the Government requires secrecy the invention need not be exposed, provided it is made with the aid of the Government. So in the same way if the United States Government would enter into a similar arrangement with us, in other words, if the Navy Department would make inventions alongside of ours, and suggest things under the conditions that they would be kept secret, we of course would keep them secret and could not give them to a foreign government. It is purely a government reservation, you may say, which any government has the right to make.

Q. State whether this agreement is responsible for the fact that England leads the United States in the size of her submarine boats by about two years as disclosed by Commander Sauter's statements and your testimony as to dates and sizes of United States Navy Holland submarines contracted for with the Electric Boat Company.—A. My testimony? I did not say anything about the size at all in my testimony.

Q. The size has been stated.—A. I see. I know absolutely nothing about the other boats, neither the size nor performance.

Q. Mr. Spear also stated, page 228 of the committee record, "Now, we have a similar arrangement here; anything I develop in connection with the United States Government or in connection with the Navy in any way I do not give to them," referring to England. Mr. Rice, please state whether the statement of Sir William White is correct in effect that England should get United States Navy developments of your boats, or whether Mr. Spear's statement is correct in effect that England does not get United States Navy developments of your submarines?—A. Up to the present there has not been any U. S. Navy development; all the development has been made by our company.

Q. Did your company in contracting with the United States make *certain improvements* and do you furnish them to Great Britain

also?—A. We furnish them unless there is some reason why they should not be kept secret.

Q. Is there any reason?—A. Not at the present time.

Q. State whether your company contracted to give England United States Navy submarine development and did not live up to the contract.—A. That our company did not live up to its contract?

Q. Did you contract to give England the United States naval submarine development?—A. There are no such things—the United States submarine development.

Q. Mr. Rice, state whether or not you ever gave the United States Navy the English development of the submarines, based upon the patents owned by the Electric Boat Company or its representative.—A. I haven't any idea what the developments are.

Q. The point is, Did you give the English Government the benefit of your development in submarines?—A. The English Government, in other words, Vickers Sons & Maxim, as shipbuilders, have the benefit of our development provided they are not guarded by the secrecy clause.

Q. State whether or not the Electric Boat Company is purely an American enterprise.—A. Purely.

Q. Do you know the firm of C. D. Halsey & Co., Mills Building, New York?—A. No; I do not.

Q. What is their business?—A. I believe they are brokers; I do not know them.

Q. Did you ever have any dealings with a member of that firm in relation to your submarine-boat affairs?—A. Never.

Q. Mr. Rice, state whether or not any foreign interests hold stock in the Electric Boat Company; and if so, state the names of any persons owning or holding stock for people or companies foreign to the United States.—A. I don't think I ought to be asked to do that.

Q. Do you decline to answer?—A. I do not say I decline, if it is a question of being in contempt. I do not think it is a right question to ask. I think so in particular, Mr. Chairman, if you will permit me, for the reason that these stories are going around all the European press and people do not like to be mixed up in it.

Q. Mr. Rice, state whether or not any foreign interest holds stock in the Electric Boat Company; and if so, state the names of any persons owning or holding stock for people or companies foreign to the United States.—A. I think that is a private matter.

Q. We will pass on with the remainder of the question. State whether Vicker's Sons & Maxim, directly or indirectly, to your best knowledge and belief, ever held or owned or now hold or own stock in the Electric Boat Company or any company interested in the Electric Boat Company.—A. I prefer not to answer. There is no foreign director, I may say. All the directors are American citizens. My counsel suggests this. I am perfectly willing to tell the members of the committee—in fact, to give them our entire stock list. I do not like to give it publicly under the conditions now as they prevail, for it is annoying to everybody whose name is connected, but if the committee finds it of interest I will be perfectly willing to tell them privately.

Q. Questions 40, 41, 42, 43, 44, and 45 concern this same proposition and will be held by the committee until a decision. State whether or not your company or any representative of it ever nego-

tiated for a yacht belonging to C. G. Vonn, of Elkhart, Ind.; and if so, when and where.—A. I know nothing about that.

Q. Know nothing about it?—A. No.

Q. State whether O. H. P. Belmont ever looked at any yacht that your company negotiated for.—A. I don't know that he ever looked at a yacht; I suppose a cat may look at a king, so Belmont may look at a yacht.

Q. State whether or not, to your best knowledge and belief, large stock interests in the Electric Boat Company are held in Europe or England?—A. The same answer as before. I will be willing to furnish the committee privately with that information.

Q. Nos. 50 and 51 concern the same subject. No. 52. State whether or not the foreign control of stock in the Electric Boat Company is responsible in any way for the fact that England has led the United States by about two years in the development of the Holland submarine boat.—A. No; I can say about that that the first negotiations with England by means of which the Holland type was adopted—in fact, the submarine boats were adopted in England—that were made by me personally I had obtained an order for five boats, and the question came up as to where the boats should be built, and it was determined that it would be better to build them in England, and that is the way that Messrs. Vicker's Sons & Maxim became the licensees of our company.

Q. Are you building submarines directly or indirectly for England?—A. Under our license they have been building all of them. About sixty boats are built or building under our license. All the submarines in England are built under our license. England started the same time with America. England has sixty to-day built and building and America, everything included, has nineteen.

Q. I quote from page 225 of this committee's hearings from a question submitted to your Mr. Spear: "As an expert state whether the English, French, Italian, German, and Russian submarines use hydroplanes and whether they work and have not been discarded.—A. In regard to the English submarines the exact data as to their construction is a complete secret. They are built as a development of our type. I have no knowledge that they use hydroplanes at all. It is a matter of common knowledge that a greater number of them do not. The first five, I think, were designed by my company. They certainly have no hydroplanes. It is within my personal knowledge that at least eight of them have no hydroplanes." Mr. Rice, I also quote from the 1907, London Institution of Naval Architects, safe submarine vessels and the future of the art, page 21, from the discussion of Capt. Edgar Lees, R. N., commander in chief of the English submarines, "I do not think at the present moment submarines are being built in any country without hydroplanes, in order to dive, if desired, almost horizontally;" and from discussion of Lieut. A. Trevor Dawson, R. N., a director now of Vickers Sons & Maxim, at the same time Captain Lees discussed submarines, "Mr. Lake mentioned the question of the importance of horizontal stability and the use of hydroplanes. I think these have been used by the Holland company in America in connection with the experiments they made for the American Government. In one of the boats I saw they gave me particulars of such experiments. I know, too, that they have been used considerably in France, with satisfactory results; and I

think his contention as to the importance in horizontal stability, as things exist to-day, is fully justified." Mr. Rice, state whether or not your company did make the experiments mentioned by Vickers's director, and with what results.—A. I know nothing about this.

Q. (Question 52.) Do you use hydroplanes on the seven boats now under contract for the United States?—A. I am informed by Mr. Spear that we do not. Personally I have never seen the plans.

Q. (Question 53.) Captain Lees has stated in effect that the English submarines use hydroplanes. State whether the accidents to the English submarines and the use of hydroplanes by the English Admiralty has anything to do with the refusal of the English Government to renew the agreement with Vickers Sons & Maxim for the construction of submarines, based upon your company's patents.—A. That whole story is a fabrication. The agreement has not run out yet.

Q. (Question 55.) State whether the English submarines with hydroplanes make as high speed about as the *Octopus*.—A. I know nothing about the English boats.

Q. (Question 56.) State whether or not you are the head of a French submarine company; and if so, give its name.—A. I have given the name once, and I am sure that I am not the head of it.

Q. (Question 57.) State whether or not the U. S. N. *Porpoise* dove to 125 feet and just escaped fatal accident.—A. I certainly have never heard of it.

Q. (Question 58.) Did that vessel use hydroplanes or diving stern rudder?—A. I do not think they use hydroplanes.

Q. (Question 59.) State whether the U. S. N. *Plunger* had an accident in 1904 and went ashore?—A. I know nothing about it.

Q. (Question 60.) State whether the U. S. N. *Shark* uncontrollably sank to a depth of about 40 feet in 1904.—A. I know nothing about it.

Q. (Question 61.) Was the *Shark* a diving stern-rudder boat or a hydroplane-controlled craft?—A. I know it was not a hydroplane boat.

Q. (Question 62.) State whether in 1907 the *Cuttlefish*, *Viper*, *Tarantula*, United States Navy class of submarines, uncontrollably sunk?—A. I have no information as to that.

Q. (Question 63.) State whether it used stern-diving rudder or hydroplane system of control.—A. I know we did not use hydroplanes. Otherwise I am not competent.

Q. (Question 66.) State whether or not the *Octopus* uncontrollably sunk in July, 1907, and whether she used stern-diving rudder system or her hydroplane system at that time?—A. That I do not know. I do not know anything about the whole thing.

Q. (Question 69.) Commander Sueter states in his book, page 108, "in 1906 the Budget (French) commission recommended the construction of 20 submersibles of 398 tons, the length to be 167.72, beam 16.3, draft surface 10.24 feet, with two propellers. Of the 20 submarines approved for 1906 only 16 have been put on the stocks, as the minister of marine has had designs for a larger boat under consideration. All these designers are naval engineers, and they guarantee to produce submersibles of 800 tons displacement and 227 feet in length; the speed on the surface to be 15 knots, with 10 knots submerged; the range to be 2,500 miles without taking in fresh oil. For the present France has given up the construction of the small submarine

in order to develop those large 800-ton submersibles, which it is anticipated can be navigated in almost any weather." Mr. Rice, state whether, in your judgment, an 800-ton submarine can be navigated at 10 knots with hydroplanes?—A. I am no expert upon that.

Q. (Question 70.) Do you agree or disagree with your constructor, Mr. Spear, who has stated that the hydroplane is a useless incumbrance at speeds over 5 knots?—A. I naturally agree with our constructor.

Q. (Question 71.) State whether or not your company can build for the United States Navy an 800-ton submarine, to operate with stern-diving rudders only.—A. I am not competent to testify as to this.

Q. (Question 72.) State why your company has never offered the United States Navy a submarine at least half the size of the French submarines.—A. I could not say. I am not an expert on submarine construction.

Mr. OLMSTED. How many questions are there? I have no objection to submitting them to the witness and letting him answer them, and place his answers in the record, but I do not like to sit here all summer.

Mr. LILLEY. They bear the same relation to the case that Mr. Spear's testimony did.

Mr. OLMSTED. He was asked those questions because you asked that they be asked?

Mr. LILLEY. No; he was asked a great many that I did not submit.

Mr. OLMSTED. I have no objection to their being answered.

Mr. HOWARD. Can we inquire into their relevancy? I can see only one purpose that these questions are supposed to be for, and that is they tend to impeach the intelligence or integrity of the Naval Department, where these contracts were made. Now, if it is intended to be shown that this system of corruption has extended to and includes the Navy Department, this would have a bearing in that direction. Otherwise I can not understand how it will. Is that the purpose?

Mr. LILLEY. Several witnesses early in the investigation testified that the Holland boat was the greatest boat on earth and beat everything else there was in their trial; and this is to show it is not as good as the boats of other navies, or that they can not build a large boat without hydroplanes.

Mr. HOWARD. I have one question which I would like to ask. Are the specifications for submarines for the American Navy made by the Navy Department or by the Electric Boat Company?

The WITNESS. I am not really competent on any of these expert questions.

Q. (Question 84.) On page 333 of this committee's hearings I note the twenty-first and twenty-second clauses of a United States Navy contract for 340-ton *Octopus* type submarines provide for confidential secrecy of Government and your company. Mr. Rice, are those clauses inserted at the request of your company or of the Navy Department?—A. I did not make this contract, and I was not present when it was made. You had better call for some one who was directly instrumental.

Q. Who does know?—A. I have just learned from Mr. Frost that *they were made* at the request of the Navy Department.

Q. (Question 85.) State whether it is a fact and a practice for your company to control what facts the Navy Department gives out about submarines?—A. I do not know. What is that question?

Q. State whether or not it is a fact and a practice for your company to control what facts the United States Navy Department gives out about submarines?—A. It is false.

Q. (Question 86.) Has the question ever been discussed to your knowledge whether it is unlawful to make the specifications for your submarines secret?—A. Certainly not. I never heard of it; I never heard that question raised.

Q. (Question 87.) Have you ever been aware that the law requires contracts and specifications to be filed in the returns office of the Interior Department for public inspection?—A. I know nothing about that.

Q. (Question 88.) Mr. Rice, it has been recommended that that law be repealed. Have you any knowledge of such a move by the Navy Department?—A. No, sir.

Q. (Question 89.) Mr. Rice, has the question of keeping submarine contract specifications secret ever been considered officially by you?—A. Of course there are secrets. I take it for granted these must be kept secret. We would not deal with the Government if our secrets would be published.

Q. (Question 90.) Mr. Rice, have you ever instructed any persons to attempt to have the law repealed because it requires contracts to be filed for public inspection?—A. No.

Q. (Question 91.) State whether to your knowledge there has been a failure to file specifications for your boats as required by sections 3744, 3745, Revised Statutes.—A. I know nothing about it.

Q. (Question 92.) Did your company employ John P. Holland; when, how long, and what did you pay him?—A. Which company?

Q. The Electric Boat Company.—A. Yes; the Electric Boat Company did employ him.

Q. How long, and what did you pay him?—A. Five years; but I think what we paid him—I would prefer not to say. I do not see that it has any bearing upon this investigation.

The CHAIRMAN. The stenographer will note the attitude of the witness, and the examiner will proceed with the next question.

Q. (Question 93.) What stock interest did he have in both the Holland Torpedo Boat Company and the Electric Boat Company?—A. The same answer.

Q. (Question 94.) Did John P. Holland retire from your company of his own volition?—A. Yes; his time expired, and we would have been quite willing to reemploy him, but he refused.

Q. (Question 95.) Does the Electric Boat Company own and use valuable John P. Holland submarine-boat patents?—A. They are a part of our patents.

Q. (Question 96.) Did you or your representative ever attempt to enjoin John P. Holland from using his name or taking out additional patents and using them? If so, when, and with what result?—A. Yes; because he sold us the right to use his name, and he sold us his improvements in exchange for the consideration which he received.

Q. (Question 97.) What have you to state as to the truth of the statement of John P. Holland in the New York Herald, "He" (Holland) "did not want his name used in connection with submarines

recently completed or being built, as they did not represent his patents or conform with his original plans." "If I were placed on the witness stand before a naval investigating committee at Washington," said Mr. Holland, "I would urge that no more submarine boats be built like those that have recently been constructed. To my mind they are worthless as defensive boats and therefore an unnecessary expenditure."—A. I will only say about Mr. Holland that he is like most inventors, he is never satisfied with what he has invented. It is always the new things that are good. For this reason it was necessary for us, as he was not a constructor, but an inventor, to secure the services of a constructor to build the boats. This naturally did not please Mr. Holland, although it would have been better for him to have taken the credit of the invention to himself, as I always told him, and even thought others make that in ventures——

Q. (Question 101.) What did you pay the Fore River Ship Building Company for the construction of the *Cuttlefish* class, and what did that company do for you?—A. I prefer not to answer that. It is a private matter.

Q. (Question 102.) What part of the craft did you furnish, and what did your part cost your company?—A. The same answer.

Q. (Question 103.) How much profit did your company make on each of the *Cuttlefish* class?—A. The same answer.

Q. (Question 104.) What commissions did your company obligate to any persons on the craft built or building for the United States Navy?—A. I do not understand what that means.

Q. (Question 105.) Name each person and every person your company has agreed to pay commissions to or on business with the United States?—A. None.

Q. (Question 106.) Do you know General Gordon, of Michigan?—A. I think I saw him once or twice.

Q. (Question 107.) State whether you ever agreed to pay him a commission based upon orders from the United States Navy; and if so, what?—A. Never.

Q. (Question 108.) State whether you ever agreed to pay ex-Senator M. C. Butler a commission based upon your United States naval orders; and if so, what?—A. We never did, as far as I know.

Q. (Question 109.) Do you now state on oath that you have named each and every person you or your company or its representatives have agreed to pay commissions, based upon United States naval orders?—A. There are no such persons as far as I know, with the exception of C. E. Creecy, who has already testified in this investigation.

Q. (Question 110.) State the name and address of every attorney or agent you have employed in the United States to secure appropriations or orders for submarines from the United States Navy.—A. There are not any.

Q. (Question 111.) Will you now state upon your oath that you have named all persons you or your company or its representatives have employed in getting United States naval business for the Electric Boat Company and the Holland Boat Company?—A. Yes. I have stated there are none, as far as I know.

Q. (Question 112.) State whether you are acquainted with William McAdoo, former Secretary—Assistant—of the United States Navy *Department.*—A. Yes, sir.

Q. (Question 113.) State whether or not to your best knowledge and belief William McAdoo was ever employed by the Holland Submarine Boat Company interests.—A. I think he was at one time, but I am not sure.

Q. (Question 114.) Tell of the Electric Boat Company and what part of its stock has been issued.—A. I have answered that.

Q. (Question 115.) Has it outstanding notes or bonds?—A. No bonds, but I should object to answering the other. I would prefer not to give our private business.

Q. (Question 116.) What dividends has it paid?—A. I have answered that.

Q. (Question 117.) What part of its business is other than submarine-boat construction?—A. I have answered that.

Q. (Question 118.) How many men has the Electric Boat Company actually employed on its submarine-boat construction?—A. I could not tell you that.

Q. (Question 119.) What plant has the company actually used in connection with its submarine construction?—A. I have answered that.

Q. (Question 120.) What is a fair value of any plant actually used in connection with the company's submarine construction?—A. I prefer not to answer.

Q. (Question 121.) State whether the Fore River Ship Building Company built the *Octopus* and whether the Electric Boat Company did any independent work on that craft, and where.—A. They did a good deal of independent work.

Q. (Question 122.) Where?—A. I don't know. I know we went to Newport, but I do not know what work was done there; it is not within my cognizance.

Q. (Question 123.) Is it not a fact that the *Cuttlefish* and class were actually and completely built and tuned up at Fore River?—A. I think these questions ought not to be asked of me. I do not know anything about it. Mr. Spear will answer them fully.

Q. (Question 124.) What use, then, was made of the plant of the Electric Boat Company?—A. I am not competent to answer.

Q. (Question 125.) Mr. Creecy has stated he was given stock the Electric Boat Company. Mr. Rice, have you a list of the stockholders of the Electric Boat Company, and will you file the same with the committee forthwith?—A. Creecy never received any stock from the Electric Boat Company excepting, possibly, in exchange for Holland, which I would not know. I have not a list with me. I am perfectly willing to show it to the committee privately, in order to show that no Member of Congress or member of the Navy Department has any stock in our company, but I do not think I should be asked to publish it.

Q. Do you state that no Member of Congress or no officer of the Navy Department is a stockholder in the Electric Boat Company?—A. There never has been, at any time.

Q. (Question 125a.) State whether or not any Member of Congress owns or holds, directly or indirectly, any stock in the Electric Boat Company.—A. No.

Q. (Question 126.) State whether, to your best knowledge and belief, any Member of Congress owns or holds, either directly or indirectly, any stock or security of the Fore River Ship Building Com-

pany.—A. I know absolutely nothing about the Fore River Ship Building Company.

Q. (Question 127.) State whether or not any persons connected with any publication in the United States owns or holds, directly or indirectly, stock or securities in any form in the Electric Boat Company.—A. Yes; I do. I am president of the Forum Publishing Company, and I hold stock of the Electric Boat Company.

Q. (Question 128.) State whether you or your company or its representatives ever, directly or indirectly, promised to give or did give anything of value to any Member of Congress, any naval officer, any enlisted man or person connected with the United States Navy in any way, shape, or form, or to any person connected with any publication in the United States, whether you gave anything of value, you or your company.—A. No, sir; I have no recollection of it.

Q. (Question 129.) State the name and address of any persons covered by the question just asked you.—A. I can not give the names or addresses of persons that do not exist.

Q. (Question 130.) Mr. Rice, with the exception of what you have now stated, do you state upon oath that you have stated fully to this committee the names of all persons you or your company or its representatives, directly or indirectly, cave employed in connection with getting or making business in the United States?—A. Of course this question is so vague I can not understand what it means. Of course we try to get business.

Q. (Question 131.) State, upon your best knowledge and belief, whether or not the Fore River Ship Building Company or its representatives have given or promised to give anything of value to any person in connection with making or getting business from the United States Navy Department in connection with your submarines.—A. I know nothing about it.

Q. (Question 132.) State whether or not you or your company or any of its representatives ever communicated with any person connected with the Fore River Ship Building Company in regard to influencing any Member of Congress in regard to his action toward submarines.—A. Never to my knowledge.

Q. (Question 133.) State whether or not you or your company or any of its representatives ever had any knowledge of the attempt of Mr. Ferry, of the Bridgeport Brass Company, to influence any Congressman in relation to submarines.—A. Not the company, nor I.

Q. Do you know Mr. Ferry, of the Bridgeport Brass Company?—A. I think Mr. Ferry was the gentleman that was here, when I was in Washington for a few days, and I think a gentleman was introduced to me by the name of Ferry, and that is all I know about him.

Q. Do you know whether he attempted to influence any Congressman in relation to submarines?—A. I heard afterwards that he had had a talk with Mr. Lilley, and that is all I know about it.

Q. (Question 134.) State whether or not you or your company or any of its representatives ever had any knowledge of the attempt of Franklin A. Taylor, of Waterbury, and John P. Kellogg, of Waterbury, to influence any Member of Congress in regard to your submarines?—A. They certainly had no authority to influence any Member of Congress.

Q. (Question 135.) Do you state under oath that neither you nor your company or any of its representatives suggested or knew of

any attempts to be made to influence any Congressman by Ferry, Kellogg, and Taylor?—A. As far as Mr. Kellogg is concerned, he was one of our attorneys. The other gentlemen I know absolutely nothing about. Mr. Kellogg had no authority to influence anyone. He had authority to submit argument and material, but not to influence in the sense of the word influence, as used—that is, in the sense of improperly influencing.

Q. (Question 136.) When did you first learn of such an attempt?—A. I know of no such attempt.

Q. (Question 137.) State the names of all the vessels you or your company or its representatives have used to show off your submarines to newspaper men or Congressmen?—A. I can not remember.

Q. You mean you do not remember all the names?—A. I do not remember any of the names. We had a vessel in the year 1900, but what the name of it was I do not remember. We had yachts at various times, but I do not remember their names.

Q. (Question 138.) Did you ever use a yacht *Parthenia*?—A. Not to my knowledge.

Q. (Question 139.) Did either of your companies ever use a yacht at Washington, a craft about 50 feet long, to entertain Congressmen on while showing your submarines; if so, when and give name of craft.—A. I do not remember the name of the craft. The other matter I have testified to.

By Mr. HOWARD:

Q. (Question 140.) Did either of your companies have on retainer a Member of Congress who showed and talked your submarines to brother Congressmen?—A. No.

Q. (Question 141.) Did your companies or any agent ever pay $5,000 for a year to any Member of Congress, directly or indirectly, in connection with your submarine legislation?—A. Not for submarine legislation nor anything else.

Q. (Question 142.) Did either one of your companies pay large amounts of money for champagne in connection with showing your submarines at Washington to Members of Congress?—A. I know nothing about it.

Q. (Question 143.) Did you ever discuss the amount of money expended for entertainment at Washington with E. B. Frist?—A. Yes, sir.

Q. (Question 144.) Do you know William Dulles, of New York?—A. Yes, sir.

Q. (Question 145.) When did he become a director and when did he resign from your Electric Boat Company?—A. I think he became a director about the time of the organization, and he resigned, I think, in 1906. I think you have his letter here.

Q. (Question 146.) State whether William Dulles ever discussed the amounts spent by the Electric Boat Company and objected to large amounts because no accounting was made.—A. He was treasurer of the company. He had the power to refuse to sign checks, so that must be false.

Q. (Question 147.) Do you know Robert McA. Lloyd?—A. Yes, sir.

Q. (Question 148.) State when he was a director of the Electric Boat Company.—A. I think that he became a director at the same time—*about the time of the* organization of the company.

Q. State whether or not you, your companies or their representatives ever employed Francis P. B. Sands; and if so, what money, stocks, or notes were promised or paid to him.—A. I know nothing about Mr. Sands's employment.

Q. Do you know Mr. Sands?—A. I know we had a lawsuit about it. He claimed to have been employed, and we claimed he had not. I am not competent to say he was or was not. I personally did not employ him.

Q. (Question 165.) State whether or not you, your companies or their representatives ever employed Dr. W. P. Kerr in connection with your submarines; and if so, state what amount of stock, money, or notes was promised or paid him.—A. We never employed Doctor Kerr or paid him money.

Q. (Question 166.) State whether you, your companies or their representatives ever employed Marion Butler in connection with your submarines; and if so, state amount of stock, notes, or money promised and paid him.—A. He is in our employ, but I think his compensation is a private matter.

Q. (Question 167.) State whether Marion Butler or Charles S. McNeir have attended to your patent work at Washington.—A. That is a question I could not answer.

Q. (Question 168.) State whether Marion Butler ever attended to obtaining legislation that your company desired from Congress.—A. No; not to my knowledge.

Q. (Question 169.) State whether your company employed Marion Butler on account of his legal ability or his political influence.—A. I never knew he had any political influence. He may have. We must have employed him on account of his ability.

Q. (Question 170.) What State is Marion Butler from?—A. North Carolina.

Q. (Question 171.) Is there a Congressman on the House Naval Committee from that State?—A. Yes.

Q. (Question 172.) Did that fact have anything to do with the employment of Marion Butler?—A. Not in the slightest degree. They are not of the same political party.

Q. (Question 173.) State whether Eppa Hunton was employed for his legal ability or on account of his political influence.—A. I know nothing about him.

Q. (Question 174.) State what State Eppa Hunton is from.—A. I hear he is from Virginia.

Q. (Question 175.) State whether or not there was a Member of Congress on the House Naval Committee from that State and a United States Senator from that State on the Senate Naval Committee.—A. Yes, sir.

Q. (Question 176.) State whether or not that fact had anything to do with the employmnt of Eppa Hunton.—A. Nothing whatever.

Q. (Question 177.) State whether or not Eppa Hunton was a former United States Senator.—A. I believe so.

Q. (Question 177.) State whether or not Gen. M. C. Butler was employed for his legal ability or his political influence.—A. I never knew he had any political influence after he retired from Congress.

Q. (Question 178.) State whether or not there has always been a member of the Senate Naval Committee from South Carolina during *your submarine* legislation.—A. Yes, sir.

Q. State whether or not the fact that Senator Tillman is from South Carolina and Gen. M. C. Butler is from that State, had anything to do with your employment of M. C. Butler.—A. Judging from the newspapers we should have employed some one else to influence Senator Tillman.

Q. (Question 178.) State whether or not your companies had regular attorneys besides Eppa Hunton, Marion Butler, and M. C. Butler.—A. I think this question must be referred to Mr. Johnson. I am not competent to speak of it.

Q. (Question 179.) State whether or not you, your companies, or their representatives ever employed W. D. Gordon, of Michigan, in connection with your submarine boats; and, if so, state what stock, money, or notes were paid him.—A. As to Mr. Gordon's employment, I must refer to Mr. Johnson.

Q. (Question 180.) State whether or not there is on the Senate and House Naval Committees Members of Congress from Michigan.—A. Yes, I think Mr. Loud is from Michigan.

Q. In the Senate?—A. I think at one time; I do not know whether there is to-day.

Q. (Question 181.)—State whether or not there is an Assistant Secretary of the Navy from the State of Michigan.—A. Really, I don't know from what State he is.

Q. (Question 182.) State whether or not W. D. Gordon is reputed to be a political influence in the State of Michigan.—A. I know nothing about it.

Q. (Question 183.) State whether or not you ever discussed the influence of W. D. Gordon prior to his employment.—A. No.

Q. (Question 184.) State whether or not W. D. Gordon was a prominent figure in the legislative branch of Michigan.—A. I know nothing about it.

Q. (Question 185.) State whether or not you ever had any knowledge of the influence of W. D. Gordon in the Congressional district of a member of the House Naval Committee.—A. No.

Q. (Question 186.) State whether that political influence and the fact that several Michigan men were powerful factors in naval matters had anything to do with the employment of W. D. Gordon by your company.—A. No.

Q. (Question 187.) Has your company any business in the State of Michigan?—A. Probably; I do not know. We do business all over the United States, selling electric machinery and launches and motor boats.

Q. (Question 188.) Has W. D. Gordon any office, to your knowledge, outside of the State of Michigan?—A. I know nothing about Mr. Gordon. I only saw him once or twice, as far as I can recollect.

Q. (Question 189.) What legal business did Mr. Gordon ever do for you, your company, or its representatives?—A. Mr. Johnson can answer that.

Q. (Question 190.) State whether or not W. D. Gordon ever communicated to you, your company, or its representatives in regard to the vote of any Member of Congress on the Naval Committee for submarines, or concerning the action of any officer of the Navy Department.—A. Never.

Q. (Question 191.) State whether or not you, your companies, or their representatives ever employed any person from the State of

Ohio in connection with your submarines. And if so, who and when?—A. I have no recollection.

Q. (Question 192.) State whether or not you, your companies, or their representatives ever employed any person from the State of Maryland in connection with your submarines. And if so, who and when?—A. I have no recollection.

Q. (Question 193.) State whether or not you, your companies, or their representatives ever employed J. F. C. Archibald, William W. Smith, Frank Lord, and A. A. Erly; and if so, state the nature of the employment, period of employment, and compensation promised or paid each.—A. The only person that I know in this connection is Mr. Archibald. We employed him at one time to go to Venezuela, because he stated that he had connections there and could sell boats there, and we are employing him now in connection with Peru. We never employed him for business in this country at all.

Q. (Question 194.) State whether or not Archibald, Lord, and Erly are all the persons you, your companies, or their representatives have employed for purposes of publicity.—A. Excepting what I saw in the papers I know nothing of employing anybody for publicity.

Q. (Question 195.) State whether or not you, your companies, or their representatives employed William W. Smith at the time of the Quigg-Doblin bribery hearing before the House Naval Committee.—A. I know nothing of that.

Q. (Question 196.) State what was paid W. W. Smith at that time.—A. I know of nothing paid to William W. Smith.

Q. Were you consulted when Mr. Spear was employed by the company you are now connected with?—A. Of course. He could not have been elected director and vice-president without me being consulted.

Q. (Question 198.) State whether or not you were having considerable trouble with your submarines at that time in relation to certain tests, particularly with regard to awash runs under gasoline engines.—A. I know that they had considerable trouble before Mr. Spear came to the company.

Q. (Question 198.) State whether, to your best knowledge and belief, Mr. Spear, while in the United States naval service, prepared the questions that were asked him by Congressman Loudenslager before the House Naval Committee in 1902.—A. I know nothing about that.

Q. (Question 199.) Do you know who prepared those questions?—A. No.

Q. (Question 200.) Do you know who can tell who prepared those questions?—A. Mr. Spear's questions?

Q. Yes.—A. I suppose Mr. Spear can tell who prepared his questions. I do not quite see how I should know who prepared Mr. Spear's questions.

Q. I will repeat that. State whether, to your best knowledge and belief, Mr. Spear, while in the United States naval service, prepared the questions that were asked him by Congressman Loudenslager before the House Naval Committee in 1902.—A. I know nothing about that.

Q. Do you know who prepared those questions?—A. No, sir.

Q. Do you know who can tell who prepared those questions?—A. *I suppose* Mr. Loudenslager can tell.

Q. (Question 201.) State whether, to your best knowledge and belief, you, your companies, or their representatives ever gave anything of value to any enlisted man in the United States Navy or to any United States Navy officer for any purpose, in any way, shape, manner, or form.—A. Not to my knowledge.

Q. (Question 202.) State whether or not you, as president of the Electric Boat Company, would probably know if anything of value had ever been given to any person connected with the United States Navy?—A. I know of no gifts by the company. I am quite sure there has never been a gift by the company to any officer.

Q. (Question 203.) Would you be likely to know if, say, over $1,000 had been given to any person connected with the United States Navy for any purpose?—A. Certainly.

Q. (Question 204.) Do you state upon your oath that to your best knowledge and belief you, your companies, or representatives have not given anything of value to any person connected with the United States Government during the period you have been connected with United States Navy submarines?—A. Not as far as I know.

Q. Do you know of any reason why any appropriation should not be left absolutely to the Secretary of the Navy, the same as battle ships?—A. Yes; a great many reasons.

Q. Will you give the reasons, please?—A. In the first place, it may be a little too deep in this subject for the committee to wish to hear. In the first place, I think it is the duty of Congress to pass laws and for the Secretary to execute them. Uuder our form of government the executive is entirely distinct from the legislative. Now, in England the legislative and the executive commingle, and it is a different state of affairs. Here Congress practically lays down the principles under which the Secretary is to act, The Congress may have quite a different policy from the Secretary. For instance, if the matter of submarine boats had been left to the discretion of the Navy Department there never would have been any submarines. You may know that navies are very conservative. You will read in this book of Sir William White, who has been quoted here. I think about fifty years after steamboats were common the navy of England were still running naval sailing vessels in England, and the history in our country is the same. Navies are very slow to adopt new ideas. In the first place, it is a great responsibility. If the Secretary exercises his discretion and he makes a mistake, he is responsible for it; so when new inventions come he holds back; he does not like the idea of taking his chances, nor as a rule do the members of his technical boards. That is commonly understood. It is called the inertia of navy departments, and is one of the things that our country has suffered from. In order to introduce submarines into our Navy, Congress was compelled to take the responsibility. It practically said to the Secretary in 1900, "We will direct you to do this thing, to buy these boats, and you are not responsible for the results," and upon this Secretary Long signed the contracts. I doubt very much whether if it had been left to the discretion of Secretary Long he would ever have signed the contract and taken the responsibility, but as it was a mandatory law there was nothing else for him to do. The same way here. Congress thought and everybody thought that the tests off Newport were to decide which boat was to be adopted, yet at the same time you see

the Secretary feels that with the discretion given to him he must give a little to the other side, too. When it comes to the question of battle ships, the laws are made mandatory, the Navy Department being responsible as for the details, and there is no reason why it should be different with submarines; I think it would be a mistake to leave it to the discretion of the Secretary and I think that if I were the Secretary I would not want such discretion.

The CHAIRMAN. Mr. Stevens, do you wish to ask the witness any questions?

Mr. STEVENS. No.

The CHAIRMAN. Mr. Olmsted, do you wish to ask any questions?

Mr. OLMSTED. No.

The CHAIRMAN. Mr. Howard, do you wish to ask any further questions?

Mr. HOWARD. I would like to ask a question going back to some other questions that were propounded. Are the specifications for submarines for the American Navy made by the Navy Department or by the Electric Boat Company?—A. Mr. Spear is now in the room and I will take his testimony for my own.

Mr. SPEAR. It is practically a joint action. We prepare specifications and submit them for approval; the Navy Department makes such changes as they desire.

Mr. HOWARD. Is or is not the Navy Department, in its judgment, the controlling factor in making them?

Mr. SPEAR. Yes; that is the fact. We have to make them satisfactory to the Navy Department.

Mr. HOWARD. Is Great Britain building boats two years later than ours? I mean, embracing improvements that are not known, and these improvements or any of them if known they were not embraced in the new contracts, would that be the fault of the Holland people or your people or any other people proposing plans, or would it be the fault of the Navy Department?

Mr. SPEAR. I do not know. I do not think it would be anybody's fault. It certainly would not be ours, and I do not think it would be the fault of the Navy Department, because the Navy Department does not know anything about what is in the British boats.

Mr. HOWARD. Let us assume that they can know and do know. If a rival boat company in this country knows, there is no reason why the Navy Department should not know, and if a rival boat company knows there is no reason why your boat company should not know. Now, if they do know that Great Britain is developing a superior type of boat, and wherein and how it is superior—superior in the matter of power or in the matter of speed or other known quality of superiority—and bids are advertised for and proposals are submitted by your boat company, a contract is made by the Navy Department and a boat inferior to the known superior type of British boat is contracted for, whose fault is it?

Mr. SPEAR. I should say that would be the Navy Department's fault, but I do not think it is a statement of fact. Nobody knows.

Mr. HOWARD. The question is rather hypothetical, based upon the assumption that somebody does know.

The CHAIRMAN. Is there any other member of the committee who desires to propound any other interrogatories to this witness? Is there *any Member* of the House of Representatives who desires to ask any

further questions of this witness? Is there any party in interest in this investigation appearing either personally or by counsel who desires to propound any interrogatories to this witness? If not, he will be excused for the present.

The questions which the witness prefers not to answer having been noted by the stenographer, the decision of the committee in reference to all such questions will be given at the same time of the decision of the questions of producing papers and letters.

The following witnesses who have been subpœnaed are expected to be here to-morrow morning: Franklin A. Taylor, Charles Ferry, Elihu B. Frost, Maurice Barnett, August Treadwell, jr., Norman C. Johnson, C. S. McNeir, Simon Lake, J. C. Lake, Henry J. Miller, L. B. Miller, Clarence Berger, T. B. Pemberton, Bejamin Micou, Hilary A. Herbert, John M. Thurston, F. B. Whitney, Abner Neff.

The committee will stand adjourned until 10 o'clock to-morrow morning.

(Thereupon the committee adjourned until Wednesday, April 1, 1908, at 10 o'clock a. m.)

HEARINGS ON HOUSE RESOLUTION 288.

SELECT COMMITTEE UNDER H. RES. 288,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 1, 1908.

The committee met at 10 o'clock a. m.
All members of the committee were present.
The CHAIRMAN. The committee will be in order.

TESTIMONY OF FRANKLIN A. TAYLOR.

FRANKLIN A. TAYLOR, being first duly sworn, upon being examined testified as follows:

The CHAIRMAN. I will ask Mr. Stevens to examine the witness.

By Mr. STEVENS:

Q. What is your name and occupation?—A. Franklin A. Taylor, Waterbury, Conn.

Q. What is your business?—A. Vice-president and manager of the Randolph-Clowes Company.

Q. What is the nature of the business?—A. Manufacturing brass and copper.

Q. How long have you been engaged in that business?—A. About nine years.

Q. Is it a part of your business to manufacture articles used in the construction of submarine boats?—A. Yes.

Q. What do you produce?—A. We produce tubing and such brass products as would be required.

Q. Have you ever sold any to any concern engaged in the manufacture of submarine boats?—A. Why, not to any extent.

Q. Have you been in the market to sell your products to concerns engaged in the manufacture of submarine boats?—A. Yes, sir.

Q. What concerns have you dealt with?—A. Well, sir, I had considerable correspondence with the Electric Boat Company.

Q. New York?—A. Yes, sir.

Q. Whom did you correspond with?—A. I corresponded principally with Mr. Spear.

Q. Have you had any personal interviews with Mr. Spear?—A. Many of them.

Q. So that you know him?—A. Yes, sir.

Q. Are you acquainted with Representative George L. Lilley, of Waterbury?—A. Yes, sir.

Q. How long have you known him?—A. It is a matter of fifteen years, I should say.

Q. You live in the same town with him?—A. Yes, sir.

Q. State whether or not in the fall or early winter of 1906 you had a conversation with Mr. Lilley in reference to the promotion of submarine legislation in the naval appropriation bill.—A. Yes, sir.

Q. When and where was that conversation?—A. Well, I had several with him.

Q. Where did you have the first with him?—A. At Waterbury and in Washington.

Q. Just state the substance of that conversation in Waterbury.—A. Why, the subject of the conversation, I told him to vote for submarine boats.

Q. You told him to vote for submarine boats?—A. Yes, sir.

Q. Why?—A. The possibility of our getting a good deal of business.

Q. Did you tell him what you would get if submarine boats were appropriated for? Did you tell him business would come to you if submarine boats were appropriated for?—A. I told him the possibilities.

Q. What did he say to you about it?—A. Why, he seemed to be interested. He was somewhat surprised to know that there were so many possibilities.

Q. Well, now, what were those possibilities? What did you tell him those possibilities were?—A. With your permission, I will start with the whole story; perhaps that will give you the sense of the whole thing.

Q. Well, what was it?—A. In 1903 we entered in with the Navy Department to make an air flask, so-called accumulator, for the storage of air, and in 1904—I think February, 1904—we entered into a contract with the Navy Department to the amount of something like approximately $50,000 for these air flasks.

Q. What were they used in? What sort of vessels?—A. Perhaps you know better what I am talking about [handing photograph to the committee].

Q. We do not care anything about that. What sort of vessel were they used in—submarines?—A. They were supposed to be used in every vessel that carried torpedoes, and that firstly was my effort to get him to vote for submarine boats. Out of that came a suggestion from the Department that they were going to specify larger flasks to carry the compressed air for submarine boats, and an intimation from the Department, and I called on the Lake Submarine Boat Company in the Colorado Building. I think that was in January or February of 1905.

Q. Whom did you meet there?—A. I met, I think, a Mr. Lake; at least he said his brother was not there.

Q. Which one of the Lakes?—A. I can not give you his name; he is a gentleman with a sandy beard. He said his brother was away. I assumed that that referred to Mr. Simon Lake, and he said that personally he did not know anything about it and was not interested, and so forth, and I left him, and he referred me to their works in Bridgeport. After a course of perhaps a week or ten days we received a letter from the Electric Boat Company, setting up to us that they would probably require 250 or 300 flasks for air. I immediately entered into correspondence with him, and that lasted over a period of a year.

Q. Now, who wrote those letters from the Electric Boat Company?—A. I think most of them were written by Mr. Spear.

Q. Did the Electric Boat Company indicate who suggested their corresponding with you?—A. Not to my knowledge at that time.

Q. Well, what followed?—A. It followed that Mr. Spear was not particularly in favor of using these bronze flasks, and it was with a good deal of an effort that I got him to the point where he was at all interested, because contracts at that time had been entered into, I understand, with the Electric Boat Company, and it meant an extra expense to them of about $40,000, so he told me, and he did not like the idea at that time of a Department giving any suggestion that they use bronze flasks instead of steel flasks.

Q. Well, now, when did you have your first conversation with Mr. Lilley about those matters?—A. Sometime in the fall of 1905.

Q. Where was it?—A. Well, I have forgotten whether the first conversation was in Washington or Waterbury; I think Waterbury.

Q. How did it occur?—A. In a friendly sort of way, as we are more or less together when we are in Waterbury, running into each other. Mr. Lilley, I believe, had just gone on the Naval Committee in 1905. At that point I would like to ask him when he was appointed.

Q. No; you go ahead and tell your story.—A. I think is was the fall, I only wanted to refresh my memory.

Q. Well, now, what was that conversation with him at that time?—A. The substance of the conversation was that we discussed the naval appropriation. We talked about ammunition; we talked about submarine boats, and I told him to vote for submarine boats.

Q. Did you talk over with him these contracts of yours, and these plans of yours that you had with the Naval Department?—A. Yes, sir.

Q. What was his opinion as you told him about it?—A. It was a pretty good thing for me, he thought.

Q. He seemed to approve your getting contracts?—A. Yes.

Q. Then what followed; what other conversation did you have with him?—A. I said to him that I had already entered into Department contracts to the amount of about $300,000, and I had been informed that these were required to equip only the new vessels, the new battle ships, and the new cruisers.

Q. This did not concern submarines at all?—A. No, sir; not at that time, but the intimation which I had from the Department that every vessel which carried torpedoes would have to carry an accumulator led me into the possibility of introducing them on gunboats, monitors, scout boats, submarines, and every vessel carrying a torpedo had to have some of these air flasks.

Q. Well, now, what was your first conversation with him concerning submarine legislation?—A. The first conversation was that I wanted him to vote for submarine boats.

Q. When was that?—A. That was the fall of 1905.

Q. Why did you suggest that to him?—A. My mind was running at that time for just as much business as I could get. No one suggested to me except in the Department in the general board room here at Washington in February, 1905, I think it was, the possibility of more air flasks going into submarine boats.

Q. What was said previous to that?—A. I saw Mr. Lilley—I think it was a week ago Saturday; I went into the club and I saw him sitting there with several other gentlemen, I should say a dozen, around a table. Mr. Lilley was giving a history—more or less of a history—of the proceedings here in this room.

Q. What was he saying? Just tell us.—A. Why, talking about the methods of procedure.

Q. Now, what did he say?—A. And he said that it was quite likely that he would get an adverse decision.

Q. Go ahead and tell us what he said.—A. And in that event he was going onto the floor of the House.

Q. Tell us what he said.—A. That he was going on the floor of the House, as I remember, to give all that he knew about this whole matter of submarine boats.

Q. Tell us in detail about what he said about expecting an adverse decision.—A. I did not hear all of the conversation. Mr. Lilley was talking about these matters when I came into the room. We greeted each other very cordially, and Mr. Lilley continued his conversation there.

Q. Who was present at the time of that conversation?—A. As I said, there were about a dozen present.

Q. You can remember some of them, can not you?—A. Yes, sir.

Q. Tell us who some of them were.—A. Col. N. G. Osborne, of New Haven; Mr. Platt, of Waterbury; Mr.—well I don't remember his name. He was a stranger to me, a friend of Mr. Osborne's.

Q. Who else?—A. I can not remember any more of them, not surely enough to state any more names.

Q. That was when?—A. That was, I believe, a week ago last Saturday.

Q. At the Waterbury Club?—A. Yes, sir.

Q. Was there any other conversation that you recall at that time concerning this matter of submarines or submarine legislation and investigation?—A. Any other conversations?

Q. Yes, concerning that.—A. I do not remember of anyone else saying very much except Mr. Lilley at that time.

Q. Did he say further what he was going to do in telling about submarines?—A. No more than I have stated.

Q. That he was going on the floor and tell all about what he knew about submarines?—A. Yes, sir.

Q. That was the substance of it?—A. Yes, sir.

Q. He did not give you the details of what he knew?—A. No, sir; he did not to me, anyway. The conversation was general; it was not to me personally.

Q. Did he state that he had told the committee about it?—A. I do not remember that he did.

Q. He did not make any statement as to whether or not he had told the committee all he knew about it?—A. I do not remember that he did.

Q. Did he state that he had not told the committee all he knew about it?—A. I do not remember that he did.

Q. He did not make any statement at all about what information he has given to this committee?—A. I do not remember that he made any statement of that character.

Q. That was the last conversation you had with him about submarines, was it?—A. I think so.

Q. At some previous conversation did you indicate to him that you went to him at the instigation of the Electric Boat Company to ask him to vote for appropriations, so that you could get a contract?—A. No, sir.

Q. Did you intimate to him at any time that you could get a large order, on condition that he voted for submarines, from the Electric Boat Company?—A. I only stated to him the possibilities, and I talked to him very frankly on that subject.

Q. And your relations have always been pleasant, have they?—A. Yes; very pleasant.

Q. Do you know of any other manufacturer in your town who manufactures goods used in submarines?—A. Yes, sir.

Q. Who?—A. The Manufacturers' Foundry Company.

Q. Who is the manager of that company?—A. Mr. E. W. Beach.

Q. Do you know whether he has had any interest in submarine legislation?—A. I do not believe to any extent. I do not think he has, any more than conversations which he had with me. I stated to him in the fall of 1905, I think it was—or 1906, I have forgotten—that if he had an opportunity he better say to Mr. Lilley that he ought to vote for submarine boats. He manufactures cylinders for gasolene engines, and I understood from him at the time that he had been doing a business of $40,000 or $50,000——

Q. With whom?—A. With the Electric Boat Company.

Q. Do you know whether he has had any conversation with Mr. Lilley concerning voting submarines?—A. I do not believe that he had any conversation with Mr. Lilley.

Q. Is he an intimate friend of Mr. Lilley's?—A. I do not know that he is an intimate friend, but I do know he is friendly toward Mr. Lilley, and with him.

Q. Do you know whether he has supported him in a political or personal way?—A. I think so.

Q. And you have supported Mr. Lilley in a political and personal way?—A. Yes, sir.

Q. We have the testimony of Mr. Lilley before the Committee on Rules, and I read from that: "In the last Congress a large manufacturer from my town, a friend of mine, who would probably have as much influence with me as any man in this State, told me that he was glad I was on the Naval Committee, and that he had the promise of a large order if I would vote for submarines, and when I failed so to do that for them, the next time I returned home this intimate, life-long friend of mine shook his fist at me across the street as I walked up the main street." Are you the man that he refers to?—A. I presume that I am the man.

Q. You did shake your fist at him? Was that in a jocular way?—A. Yes, sir; a friendly way; and I do not think I have missed an opportunity to shake my fist at him and tell him to vote for submarines every time I have met him.

Q. It was not intended as an intimidation or threat?—A. No, sir.

Q. Did he seem to feel that it was intimidation or threat?—A. No, sir; he took it in a very friendly spirit.

Q. He seemed to realize that it was a jocular demonstration on your part?—A. I think he did.

Q. What was said previous to that?—A. I saw Mr. Lilley—I think it was a week ago Saturday; I went into the club and I saw him sitting there with several other gentlemen, I should say a dozen, around a table. Mr. Lilley was giving a history—more or less of a history—of the proceedings here in this room.

Q. What was he saying? Just tell us.—A. Why, talking about the methods of procedure.

Q. Now, what did he say?—A. And he said that it was quite likely that he would get an adverse decision.

Q. Go ahead and tell us what he said.—A. And in that event he was going onto the floor of the House.

Q. Tell us what he said.—A. That he was going on the floor of the House, as I remember, to give all that he knew about this whole matter of submarine boats.

Q. Tell us in detail about what he said about expecting an adverse decision.—A. I did not hear all of the conversation. Mr. Lilley was talking about these matters when I came into the room. We greeted each other very cordially, and Mr. Lilley continued his conversation there.

Q. Who was present at the time of that conversation?—A. As I said, there were about a dozen present.

Q. You can remember some of them, can not you?—A. Yes, sir.

Q. Tell us who some of them were.—A. Col. N. G. Osborne, of New Haven; Mr. Platt, of Waterbury; Mr.—well I don't remember his name. He was a stranger to me, a friend of Mr. Osborne's.

Q. Who else?—A. I can not remember any more of them, not surely enough to state any more names.

Q. That was when?—A. That was, I believe, a week ago last Saturday.

Q. At the Waterbury Club?—A. Yes, sir.

Q. Was there any other conversation that you recall at that time concerning this matter of submarines or submarine legislation and investigation?—A. Any other conversations?

Q. Yes, concerning that.—A. I do not remember of anyone else saying very much except Mr. Lilley at that time.

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Q. He did not make any statement at all about what information he has given to this committee?—A. I do not remember that he made any statement of that character.

Q. That was the last conversation you had with him about submarines, was it?—A. I think so.

Q. At some previous conversation did you indicate to him that you went to him at the instigation of the Electric Boat Company to ask him to vote for appropriations, so that you could get a contract?—A. No, sir.

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Q. Did he seem to feel that it was intimidation or threat?—A. No, sir; he took it in a very friendly spirit.

Q. He seemed to realize that it was a jocular demonstration on your part?—A. I think he did.

The CHAIRMAN. Is there any member of the committee who desires to ask any questions of this witness?

The WITNESS. Mr. Chairman, I have with me here all of the correspondence with the Electric Boat Company, and me being brought into this matter in this way—as I understand it, the committee itself subpœnaed me, and Mr. Lilley told me he had not; Mr. Frost tells me he did not—and I would like to have this correspondence go on the record.

The CHAIRMAN. You may submit this correspondence to the committee and we will be glad to look it over, but there is just one more question.

Mr. Lilley has placed in the record as a part of his testimony an extract from the Boston Herald containing the following statement:

> Mr. Lilley has cited his own experience in the two instances in which appeals have been made to him by his own constituents. In each case the constituent has been bribed to approach his Congressman in the matter by the promise of a profitable contract which was dependent upon the passage of the desired legislation.

Are you one of the constituents who has been bribed to approach Mr. Lilley?—A. No, sir.

Q. Do you know of any bribe tendered to you in any way, directly or indirectly?—A. No, sir.

Q. Influencing you to approach Mr. Lilley?—A. No, sir; no promise of business or anything of that kind.

Q. Has the Electric Boat Company or the Lake Company or any other company exercised any corrupt influence in the nature of any bribe on you, so as to influence Mr. Lilley to vote for submarine legislation?—A. No, sir. The Electric Boat Company never intimated to me in any way about my influencing Mr. Lilley to vote for submarine boats.

Q. So that whatever statement there is as to a constituent being bribed does not apply to your relations with Mr. Lilley?—A. No, sir.

By Mr. OLMSTED:

Q. I would like to ask you a few questions, Mr. Taylor. In his testimony before the Committee on Rules Mr. Lilley testified that "a manufacturer in the city of Bridgeport walked into my room over in the new building and told me they were practically closed down; that they never needed an order so badly as they did now; that they had the promise of an order from the Holland or Electric Boat Companies if he would vote right on this proposition." I asked him, "What is the size of your order?" He said, "$20,000." I asked him what the profit was to them. He said, "About $2,000." "Now," I said, "let me see if I understand you correctly. You are asking me to vote three and one-half million dollars of other people's money, of which I am one of the trustees, for the sake of giving you a $20,000 order on which you are going to make $2,000 profit. Is that your proposition?" He sat and looked at me a few minutes and then said he did not like to have me put it that way. I repeated it to him, and I said, "If that is your proposition I would prefer to pay you the $2,000 myself." That ended that interview. Were you the manufacturer who had that interview with Mr. Lilley?—A. No, sir; I was not down here at that time.

Q. You had no such interview as that with him?—A. No, sir.

Q. Your name is not mentioned in that statement, and I am trying to find out who it was. Did anybody ever hold out to you that if the Lake Torpedo Boat Company got any Government contracts you could get work from that company?—A. No, sir.

Q. Nobody at all?—A. No, sir. I approached the Lake Submarine Boat Company to try to interest them in these bronze air flasks, and I then found out that the possibilities were not very favorable there for my doing business, and a matter of perhaps ten days or two weeks later, after my call on the Lake Submarine Boat Company, we had a letter from the Electric Boat Company, saying that they would probably require 250 or 300 flasks.

Q. Did the Lake Boat Company or anybody on its behalf ever suggest to you in any way the possibility that if they got a Government contract you could get part of the work, brass work or any other work?—A. No, sir.

Q. You have referred to a conversation in a club in Waterbury. Was that in Waterbury?—A. Yes, sir.

Q. What was the name of the club?—A. The Waterbury Club.

Q. When was that conversation?—A. I think a week ago Saturday.

Q. That would be what day of the month?—A. I do not know.

Q. Have you given the names of all the persons you can remember as having been present?—A. Yes, sir.

Q. Was there any person from Washington present at that conversation?—A. My friend Lilley was the only one from Washington that I remember of.

Q. Was there any gentleman or anybody else there from Washington?—A. Not to my knowledge. I do not remember of any.

Q. Did Mr. Lilley state why he expected an adverse decision?—A. No, sir; I do not remember that he did.

Q. Did he intimate what he meant by an adverse decision?—A. I do not remember that he said anything of that kind.

Q. He just simply said, without any other conversation passing, "I expect an adverse decision;" is that what you mean to say?—A. Yes, sir.

Q. Nothing leading up to it, and nothing following?—A. There may have been something leading up to it that I did not hear, or if I did I have forgotten it.

Q. That was not very long ago?—A. I know it, but——

Q. I think you said you had not seen Mr. Lilley since that club meeting?—A. I do not know that I said that. The question was with reference to submarine boats. I do not remember any such question as that, that I had not seen him since that week ago Saturday.

Q. I think you said you had not seen him since that meeting.—A. I saw him last night.

Q. Here in Washington?—A. Yes, sir.

Q. Where?—A. At the New Willard.

Q. Did you have any discussion of this matter with him at that time?—A. He simply said to me, "I did not subpœna you." That was about all. Our conversation was very brief. It was about 8 o'clock last evening. I saw Mr. Lilley standing there in the lobby and I rushed over to speak with him.

Q. You rushed over?—A. I got over there quickly before he could get out of my way.

Q. You state that your relations are friendly and cordial with Mr. Lilley?—A. Yes, sir.

Q. Socially and politically?—A. Yes, sir.

Q. How about his with you?—A. He has apparently been a very good friend to me.

Q. Your friendly relations, then, are mutual?—A. Yes, sir.

Q. And cordial?—A. Yes, sir.

Q. Have you a Republican club in Waterbury?—A. I believe there is a Republican club.

Q. Are you an officer of the Republican club?—A. No, sir; not a member, even.

Q. Then you do not attend its meetings?—A. No, sir.

Q. You do not know whether it has adopted any resolutions with reference to this investigation?—A. No; I do not.

Mr. Chairman, I have also here the two contracts with the Navy Department, dated August 3, 1905, and I would like to submit those in evidence to show that I did do business with the Department.

The CHAIRMAN. The letters and contracts may be submitted for the consideration of the committee.

By Mr. HOWARD:

Q. Is there anything contained in either of those contracts, or the letters or correspondence between you and the Electric Boat Company, that contradicts or modifies in any way any statement you have made about your relation to them?—A. Not to my knowledge.

Q. You know what they contain?—A. Yes, sir.

Q. So that if by decision of the committee they should not appear in the record of this case, are you prepared to say that they would conceal or withhold from this record any fact material to this inquiry we are now making?—A. That they would withhold any information, is that what you mean?

Q. That is what I mean.—A. I want to submit this correspondence to show my relations with the Electric Boat Company. There is nothing in here that refers in any way to any political or social proposition, in any way whatever. It is the entire correspondence with the Electric Boat Company, and I desire to submit this and have it go on the record to justify my position.

Q. Does it refer to any Congressional action?—A. None whatever.

Q. Does it prompt you by any manner of suggestion to secure the influence of Mr. Lilley's vote in favor of any sort of legislation to bring about the building of boats?—A. This is purely a matter of commercial business in this correspondence. I have never had any correspondence with anyone about influencing Mr. Lilley. But in justice to Mr. Lilley and to myself I want to say—I want to qualify a statement that I made a few moments ago, that I had heard from several sources on behalf of the Lake people and the Electric Boat people that I was after Mr. Lilley for selfish reasons, if you want to put it that way, and I did say to Mr. Lilley at one time that I have been invited to the Fore River Ship Building Company, at Quincy, Mass.; that there were possibilities of my getting a lot of business down there. I considered that nothing more than the usual course. I asked Mr. Frost once, as I was walking on the street with him, whether they used more or less brass over at Bayonne, N. J., at their plants over there. He said they did. "Why don't you go over there and see them?"

Q. Did you inquire about the Washington market for brass?—A. No; I did not inquire about the Washington market. I was attending to the Washington market myself directly with the Department.

By Mr. OLMSTED:

Q. I would like to ask you one question. I have before me an article from the New York World of March 9, purporting to contain a dispatch from Waterbury, under date of March 8, in which this occurs:

Mr. Taylor admits that he saw Mr. Lilley on several occasions. He said, "I have no doubt that the conversations I had with him were influential in gaining his vote some time ago, when the matter first went through Congress."

Did you make that statement?—A. I made a similar statement. The Associated Press reporter who interviewed me that particular night made no notes at all of our conversation. I told him I had been friendly with Mr. Lilley, and our relations had been most cordial, and that I had no doubt that the "prominent manufacturer" which he named before the Rules Committee—that I was the man whom he referred to—and for that reason I did feel that I had influenced Mr. Lilley to vote for a submarine boat, and I had very good reason for feeling so, because when he came home after the committee had voted he said to me, "I voted 'yes,' Franklin, and your face was in front of me when I voted." So I felt that I had influenced Mr. Lilley, and I had nothing to be ashamed of in it.

Q. In what Congress was that, what year was that?—A. That was in 1906, I think.

Q. Did that have reference to the passage of the naval appropriation bill of 1906?—A. I think so, if that is the year. It was 1905 or 1906, but I think it was 1906.

By Mr. HOWARD:

Q. In speaking to Mr. Lilley about this submarine matter, and urging him to vote for submarines, in view of your interest as a brass founder in the matter, did you consider that you were doing anything improper?—A. No, sir.

Q. Are you Mr. Lilley's constituent?—A. I assumed that I was one.

Q. Did you consider it reprehensible for a citizen engaged in business to ask his Representative in Congress to favor legislation not immoral nor illegal, but otherwise proper as a general policy, to promote it?—A. I do not know that I catch your question.

Q. Assuming that the building of submarine boats is not an illegal or immoral thing to do, assuming that it is a proper thing to do; you are interested in making parts that go into submarine boats; Mr. Lilley is in Congress; Mr. Lilley is on the Naval Committee; Mr. Lilley is to pass on a pending proposition that will determine whether more of these or less of these shall be built, and you approached him and urged him to support the proposition that would result in building more of them; do you consider that that is an improper request to make of your Representative?—A. No, sir.

Q. Do you consider that it is reprehensible or improper for any constituent to approach and apply to his Representative to cast a vote in Congress favorable to his interests if his interests are the general interests of the country?—A. It is perfectly proper.

Q. How else would you make a protective tariff bill?—A. I do not know as I would want to make any protective tariff bill.

Q. When Mr. Lilley said in the club that he expected that there would be an adverse report by this committee in this investigation, and in that event he meant to go on the floor of the House and tell what he knew about submarines, did you understand him to mean that he was to tell what he knew about their efficiency as a weapon of war or what he knew about the alleged corruption of this Electric Boat Company in promoting legislation in their favor?—A. I think Mr. Lilley's disposition would show that he would like to lick certain fellows more than anything.

Q. That is interesting as a side light, but let us focus it on the main proposition. What did he say he was going to tell Congress?—A. I do not know.

Q. You heard the statement and heard part of the conversation?—A. Yes.

Q. Was he going to inform Congress about submarines as a weapon of defense of the country, or about the methods incident to this investigation?—A. I think the incidents with reference to this investigation.

Q. With reference to this investigation?—A. Yes; that is what I assumed.

Q. That is what you assumed?—A. Yes, sir.

By Mr. BROUSSARD:

Q. You say Mr. Lilley voted for submarines in 1906 and 1907?—A. He told me he did.

Q. You say that when you saw him in Waterbury after his vote on the present bill, that in a jocular way you shook your fist at him across the street?—A. I believe something of the kind happened.

Q. Why do you think that?—A. Well, I did not have very much to say to him at the last session, because I felt that Mr. Lilley, after having had experience for the last few months in being on the Naval Committee and getting more or less familiar with the naval situation, had no earthly use for submarine boats, and I thought it was useless for me to waste my time talking to him any more about it, and it became an impossibility for us to make these air flasks of the diameter—it was a physical impossibility for anyone to do it—and I dropped the whole matter. I had no further desire to annoy him.

Q. How did he vote on this last proposition for submarines? Do you know?—A. He voted no.

Q. So he changed his attitude on these submarines from the time you first spoke to him on this matter?—A. I do not think Mr. Lilley ever changed his attitude on the submarines. I do not think he has ever had any use for them.

Q. Do you mean to say he voted simply to please you in the first instance and in disregard of what he conceived to be his duty as a Representative in the House?—A. I think that largely influenced Mr. Lilley. I went into the thing very generally. I told him the amount of business that the Navy Department did in the Naugatuck Valley. If I remember rightly I suggested to Mr. Lilley to talk with his constituents; that it would be a good scheme for him to start at Bridgeport and go to Winsted; I told him of the things manufactured; I went into it very thoroughly. I told him of our own business in the

matter of tubing and sheathing and brass plates and all that sort of thing. I said to him that the business amounted to several millions a year, and I think he felt at that time that it was a very much bigger thing than he had any idea of. I did not leave any stone unturned to influence him to vote for submarine boats.

Q. He was, then, influenced in his first vote on submarines by the requests of his constituents, who were to secure orders as a result of an appropriation for submarines, and, in your judgment, exclusively by that consideration?—A. Yes, sir.

Q. He was opposed to submarines?—A. Yes; I think he was from the beginning.

Q. Did he ever tell you why it was he was not influenced by the same consideration in his vote on the present bill?—A. Well, he made some reference to the methods employed by the Electric Boat Company for influencing members of the committee to vote for it.

Q. Did he say what those methods were?—A. No; he never told me.

Q. As a matter of fact, the articles which you manufacture and which enter into the construction of submarines and torpedo boats generally are equally sold to the Lake Company, or the Electric Boat Company, or any other company that manufactures torpedo boats?—A. I was looking out for the business from the corporation that got the contracts, and it didn't bother me a bit, nor I did not care which one of them got the contracts or how they got their business or contracts.

Q. So your interest in trying to secure the vote of Mr. Lilley was not in behalf of any one particular company, not in behalf of the Electric Boat Company any more than it was in behalf of the Lake Company or any other company engaged in the enterprise of manufacturing submarines?—A. No, sir.

Q. So long as the money was appropriated and orders were given for the construction of those, you felt that your concern would get its share of the appropriation made?—A. Yes, sir.

Q. You are the sole manufacturers of this particular invention?—A. Yes, sir.

Q. So that there was no possibility of your legitimate share of any appropriation made by Congress passing into the hands of anyone else?—A. No, sir.

Q. But into the hands of your company?—A. Yes, sir; that is right.

Q. And all of your efforts to secure the support of Mr. Lilley for submarines were essentially in your own interests?—A. Yes, sir. I say yes to that, but at the same time I mentioned to him the fact that the Manufacturers' Foundry Company and the Bridgeport Brass Company did quite a large business. I did put it to him so strong on personal motives. I wanted to show him that he was not working for one constituent. I tried to show him that he was working for more than one and more than two.

And I want to say this in justice to the whole affair, that after I had spoken to Mr. Lilley the first time I confess that my feelings tended to lean toward the Electric Boat Company, because I had called on the Lake people and did not get a very cordial reception. But the Electric Boat Company people took up the matter of these

bronze air flasks with us, and when they got the contracts naturally I was interested and friendly to them. I had known them and known of them.

Q. Did Mr. Lilley quite understand that your interest in submarines was not in the interest of any particular company?—A. Yes, sir; I think Mr. Lilley understood my position as one of selfish motives, if you put it that way, for business itself.

Q. Did he understand that your interest in legislation in behalf of the construction of submarines was not in the interest of any particular corporation engaged in the manufacture of submarines?—A. I sincerely believe that he understood it.

Q. From your understanding of Mr. Lilley's state of mind on this subject, is there any reason for the assumption that when you approached him you did so with the intention of influencing him in behalf of the Electric Boat Company?—A. Please repeat that question.

Q. From your understanding of Mr. Lilley's state of mind at the various times at which you spoke to him in reference to the appropriation for submarines, that your attitude was not in behalf of any particular company engaged in the manufacture of submarines?—A. That is right.

Q. Was there any reason for him to have concluded, as it is reported by him in his examination here, that you were engaged in securing his support for submarines because of the interest you took in the Electric Boat Company?—A. No; no individual company.

Q. There was nothing in his mind—did he ever say anything to you that would indicate to you that he believed——A. I do not remember that he did.

Q. Let me finish the question. Is there anything that he said to you in any conversation which would indicate to you that he was impressed with the fact that you were seeking to lobby in behalf of the Electric Boat Company in securing his vote for submarines as a member of the Naval Affairs Committee of the House?—A. I think at one time in Waterbury Mr. Lilley asked me which outfit I was interested in, and I stated to him frankly that my mind leaned toward the Electric Boat Company, the possibilities that existed there for doing business. I think that is all that ever took place between Mr. Lilley and myself with reference to any such proposition.

Q. Well, now, didn't you tell him that it made no difference to you which company got the contract?—A. Oh, he understood that, I am sure.

Q. You said nothing to induce him to believe that you were there as the special representative—at the request—of the Electric Boat Company?—A. No, sir.

Q. Did he ask you whether you were not sent by the Electric Boat Company to see him in any of these conversations?—A. I do not remember of any except this one, and I think it took place in February, when he asked me which one I was working for, or something of that character—I can not remember the exact words—and I told him I was working for submarine boats. I didn't care a hang, if they only got the contract; that was the least of my troubles.

Q. So that he knew from your conversation that you were interested generally in submarine construction and not in special con-

struction?—A. I believe Mr. Lilley understood my position in that matter.

By Mr. STEVENS:

Q. Did you have any conversation with Mr. Lilley last summer concerning his views on submarines?—A. Mr. Lilley's return from a trip with the Naval Committee in the inspection of navy-yards, knowing that I was interested in submarine boats, not only on business, but personal curiosity, had aroused me, interested in boats, had seen several of them, and all that sort of thing; he came back laughingly saying to me he had found several naval officers who had told him they did not take any stock in submarines. Our conversation was general on the matter, but he could not see anything good in submarines, and I thought I could.

Q. When did he have that conversation with you?—A. It was some time after this trip of the Naval Committee.

Q. Last summer?—A. Yes.

Q. Could you remember about what time it was?—A. I might get somewhere within three months, but I should think somewhere about December.

Q. Where did you have that conversation?—A. That conversation took place at Waterbury.

Q. And you are quite positive that he told you at that time that he could not see much good in submarines?—A. I said that he had seen several naval officers and they said submarines were no good.

Q. Did he give yon any opinion of his own as to the advantages or menaces of the Government having submarines?—A. He said most of them were in the repair shop most of the time and that the Government had spent a certain amount of money, I forget how much it was, and so forth and so on. I gathered from Mr. Lilley's mind entirely that he had no use for submarine boats.

Q. Was that the only time that you gathered that opinion, from your conversation with him?—A. No, sir.

Q. Or was it from the general course of the conversation?—A. General course of his conversation.

Q. Did you have any other conversation with him in which he indicated his general position about submarines?—A. If I remember rightly, he did at the outset, when I approached him to vote for submarine boats.

Q. 1905?—A. Yes, sir.

Q. He then indicated that he did not think submarines were much good?—A. Yes, sir; if I remember right.

Q. Do you know of his changing his mind as to the value of submarines?—A. No, I have never seen any indication of it.

Q. Do you know whether he was present at any tests or went down in any submarine boats to find out personally how they worked?—A. Mr. Lilley went down, I understand, in the Lake submarine boat. Mr. Lilley invited me to go with him.

Q. When was that?—A. I think that was in the summer of 1907 or 1908.

Mr. LITTLETON. You do not mean 1908?

The WITNESS. I mean 1906 or 1907.

By Mr. STEVENS:

Q. Where was that?—A. At Bridgeport, I believe. I did not go. Mr. Lilley invited me to go with him. I in turn then received—I can give you that date here. I in turn invited Mr. Lilley or offered to Mr. Lilley some tickets to go to the launching of the *Octopus*, which was to occur in October——

Q. Did he accept your invitation?—A. No, sir.

Q. And you could not accept his invitation?—A. I could not very well; I did not accept either one of them. As a matter of fact, I did not go to the launching of the *Octopus* nor did I go with Mr. Lilley to be submerged.

Q. Mr. Lilley did go and participate in the test of the *Lake?*—A. I saw in the papers that he did go.

Q. What boat was that?—A. That was the Lake submarine boat. I don't know what they call it.

Q. Do you know at any time during the last four months of any efforts being made to have the Government purchase a Lake submarine boat?—A. Why, nothing more than what I saw in the newspapers.

Q. Do you know anything about the contracts that were made after the tests last spring? You keep watch of those affairs?—A. As a matter of personal interest, yes; general conversations with one and another—I can't say with whom now—and in the newspapers.

Q. You know that there were then some tests held last spring by the Navy of submarines?—A. Last summer; yes.

Q. And that the Electric Boat Company's boat was the successful competitor, and that the Lake boat was unsuccessful as a competitor?—A. Yes, sir.

Q. Do you know anything about the contract that the Navy Department made following those tests?—A. No, sir.

Q. You do not know whether or not any were made? You did not supply any of the material for any of the boats that were awarded?—A. Not to my knowledge; not so far as I know.

Q. Do you know anything about any efforts that were made by the Lake Company to obtain a contract after those tests?—A. Nothing except what I saw in the newspapers.

Q. Did you have any conversation with Mr. Lilley concerning any efforts to induce the Government to purchase a Lake boat after those tests?—A. No, sir.

Q. Do you know anything about Mr. Lilley or any efforts which he made?—A. No, sir.

Q. But you did have various conversations with him during the summer and fall months about submarines in general?—A. Summer of what?

Q. Of 1907.—A. In 1907 Mr. Lilley and I did not talk very much about submarines.

Q. Your conversations with him were previous?—A. My conversations were back in 1905 and 1906.

Q. In what conversations with him that you did have in 1907 did he apparently change his attitude relative to the value of submarines?—A. I do not know that he changed his attitude, except that he, perhaps, was stronger in his opinion.

Q. Stronger in what way?—A. Stronger of the opinion that he did *not like them* as much as he did before.

Q. They rather grew in disfavor in his mind?—A. The impression that I got from Mr. Lilley was that he had no earthly use for submarine boats.

Q. And that he was continually of that opinion?—A. It seemed so to me.

Q. Was that before or after he went down in the Lake boat, do you know?—A. I do not know; I could not answer that question.

Q. You could not fix the time exactly?—A. No. At that time it was rather immaterial to me.

Q. Did you find any change in his mind as you talked with him from time to time, after he went down in the Lake boat?—A. I do not remember that I did.

Q. You could not see any difference in opinion, so far as you could tell, by Mr. Lilley?—A. He told me he did not like the sensation; he did not want to go down again.

Q. Now, did he indicate to you, has he indicated to you during this last winter that he did vote against submarine boats?—A. Yes; yes, he did indicate to me that he did not vote for them.

Q. In what way did he tell you so?—A. If I remember rightly, he told me he stood up in the committee and said, "I vote no."

Q. Did he say on which side he voted no?—A. I do not remember much more than that.

Q. Where was this that he told you that?—A. I think this was in Waterbury.

Q. At the club?—A. I would not be sure where.

Q. Is there anything else in that conversation that he said concerning his attitude on submarines?—A. I do not remember any other conversation in the matter.

Q. Now, you gathered then from what he said to you at that time that he intended to inform you that he voted against all submarines, did he?—A. I think so, I do not think any more than in a general way; I think the matter of the commercial end of it had been put to one side.

Q. And in your general conversation concerning the policy of having submarines, he then indicated to you that he had opposed all submarines, is that it?—A. Yes, sir.

Q. Did he indicate to you that that policy of his extended to both legislation and seeking to get submarine contracts?—A. Please repeat that question.

Q. Did he indicate to you that this view of his extended to his conduct as to legislation and securing contracts for submarines?—A. I do not know as I understand your question.

Q. Well, in this conversation, did he indicate to you as being opposed to all submarine matters?—A. Yes; he was opposed, apparently, to submarine boats, but so long as they had to have them he seemed to desire that there should be a fair chance to everyone who was building or manufacturing submarine boats.

Q. And what do you gather that he meant by that?—A. I gathered from that that he had a feeling that the Lake Submarine Boat Company had not had a fair chance.

Q. And was that the time he indicated his determination to see that they did have a fair chance?—A. No; that was another time.

Q. Did he indicate at various times, then, that he thought the Lake Company had not a fair chance?—A. I think he did.

Q. So that in the various conversations you had with him you gathered that as a general proposition he was opposed to the policy of the Government buying or building submarines?—A. Yes.

Q. But if it had to have submarines, he wanted the Lake people to have their share; is that it?—A. Yes, sir.

Q. Now, I will read this statement of Mr. Lilley's from his testimony before the committee:

> I submit to the committee that the reprehensible practice of employing the constituents of a Congressman to approach and influence him in the matter of his official action ought to be condemned by the Congress, and where such efforts have been made the fact should be shown to the country through the actions of your committee, in order that this kind of secret and insidious influence may be abandoned.

Now, I want to know if anybody employed you to go to Mr. Lilley and solicit his influence to get a contract.—A. No, sir.

Q. Nobody urged you to go to him to get contracts?—A. No, sir.

Q. So that so far as you are concerned there is nothing in your action, so far as you can see, which deserves the condemnation of Congress or of the country, and that you never have sought to exercise any secret or insidious influence over him?—A. No, sir.

Q. Now, if you find from investigating the records of the Committee on Naval Affairs that Mr. Lilley did vote for submarines, it would rather be different from what your impression was as you gathered from his statements to you, would it not?—A. Yes.

Q. One question more, Mr. Taylor. Did you have any conversation with Mr. Lilley with reference to influencing him to vote for submarines in this year's bill?—A. No, sir.

Q. You made no attempt to secure his influence in favor of the pending legislation?—A. I did not.

The CHAIRMAN. Is any Member of the House of Representatives present who desires to propound any interrogatories to this witness? (No response.)

Is there any one else present, either in person or by counsel, who desires to ask questions of this witness?

Mr. Littleton presents three questions which Mr. Stevens will ask.

By Mr. STEVENS:

Q. Do you know who went with Mr. Lilley on the trial of the Lake submarine boat?—A. No, sir; I do not.

The CHAIRMAN. The other questions the committee will have to decline to put at the present time.

Q. Just one question more. Do you know who was Mr. Lilley's host on the occasion at the trial of that Lake boat?—A. I do not.

Q. Did Mr. Kellogg telegraph you to come to Washington early in February?—A. Mr. Kellogg telegraphed me January 30, 1908, the telegram I have here.

Q. We would like to see that, please. [Telegram handed to Mr. Stevens.] The telegram reads as follows:

WASHINGTON, *January 30, 1908.*

FRANKLIN A. TAYLOR, *Hotel Manhattan:*

Wish you would come here for Sunday, if possible, and ask New Willard. Answer.

JOHN P. KELLOGG.

You know Mr. Kellogg?—A. Yes, sir.

Q. Where were you at the time this was received?—A. I was at the Hotel Manhattan, New York.

Q. Did you know that Mr. Kellogg represented the Electric Boat Company?—A. Yes, sir.

Q. Do you know why he sent you that telegram—what he wanted you in Washington for?—A. Yes, sir.

Q. What was it?—A. Previous to Mr. Kellogg's coming to Washington at that time, and practically the only conversation I had with Mr. Kellogg on submarine-boat matters, he asked me what I had said to Mr. Lilley in 1905, 1906, and I told him that I had put to Mr. Lilley entirely the commercial end of the situation, the interests of the valley; told him something about the Manufacturers' Foundry Company and the Bridgeport Brass Company, and what I had said to Mr. Lilley about the possibility of our doing business; and he said, "Won't you come to Washington with me to see Mr. Lilley?" "Why," I said, "I have no objections; I would be glad to if I could get away," and on the strength of that conversation he sent me that telegram, to which I replied that it would be impossible for me to come to Washington.

Q. Did you go to Washington?—A. No, sir.

Q. Did you have conversations after that with Mr. Lilley pursuant to your conversation with Mr. Kellogg?—A. I do not know how it came up; Mr. Lilley and I had some conversation about that telegram being sent to me.

Q. Did Mr. Kellogg request you to confer with Mr. Lilley in favor of pending legislation?—A. He wanted me to get busy again and set up to Mr. Lilley the further possibility of getting the submarine-boat outfit.

Q. When was this conversation?—A. Just previous to that telegram a few days.

Q. In January, 1908?—A. Yes, sir.

Q. Did you do that?—A. No, sir; I do not remember that I said anything to Mr. Lilley.

Q. So you have had no conversation with Mr. Lilley subsequent to your conversation or request of Mr. Kellogg?—A. I do not remember that I had any.

Q. Mr. Lilley requests me to submit this question: Did not Mr. Lilley state to you that he wanted open competition for all submarine companies rather than that he wanted the Lake Company to have their share?—A. Read that question, please.

Q. Did not Mr. Lilley say that he wanted open competition for all submarine companies rather than that he wanted the Lake Company to have their share?—A. Mr. Lilley made such a statement as that—open competition; he said that to me on several occasions, and when you use the word "share," I do not know that I used it; I said that Mr. Lilley said to me he wanted to see that the Lake people had a fair chance. He did talk about open competition, which refreshes my mind now, led up to his saying that he wanted to see the Lake people have a fair chance.

Q. Do you know of any other companies in the United States manufacturing submarines outside of the Electric Boat Company and the Lake Company?—A. I have heard of some designs only.

Q. You have not heard of any manufacturing boats?—A. No, sir.

Q. Do you keep informed about those things?—A. I try to.

Q. If there were other companies constructing submarine boats you would know about it?—A. I think very likely that I would hear of it.

Q. Do you know of any others?—A. I do not know of any others, except as at times I have heard plans have been drawn for other boats and submitted to the Department.

Q. So that this term "open competition" would mean, then, that each one should have their chance, as you say, at the contracts with the Government?—A. I understood that each one should have a fair chance.

The CHAIRMAN. Does any other member of the House of Representatives desire to ask any questions? Anyone else present interested in this investigation who desires to ask any questions of this witness?

(Question submitted by Mr. Littleton):

The CHAIRMAN. The committee thinks that that is susceptible of proof from some other witness. It is nothing in connection with this witness's previous testimony. Unless there are some other questions to be asked this witness he may be discharged. Several witnesses have spoken to the committee to-day, as they did yesterday, in reference to the order in which they should be called. The committee desires to have this testimony proceed in the most orderly way possible, but, as we did with Mr. Kellogg yesterday and some others, the committee is disposed to accommodate certain witnesses who have good reasons for desiring to testify before the hour at which their subpœnas were made returnable. The committee would therefore like to ask whether Mr. Ferry is now present. (No response.)

The CHAIRMAN. Is Maurice Barnett present?

Mr. BARNETT. Present.

The CHAIRMAN. Mr. Charles Ferry. (No response.)

The CHAIRMAN. Mr. Henry J. Miller.

Mr. MILLER. Here.

The CHAIRMAN. T. B. Pemberton.

Mr. PEMBERTON. Here.

The CHAIRMAN. Mr. John M. Thurston. His was returnable 2 p. m. Mr. Abner R. Neff.

Mr. NEFF. Here.

The CHAIRMAN. Benjamin Micou, returnable 2 p. m. Mr. Simon Lake.

Mr. LAKE. Here.

The CHAIRMAN. Mr. J. C. Lake? (No response.) Reported by the officer as out of the country. Mr. L. B. Miller?

Mr. MILLER. Here.

The CHAIRMAN. Mr. F. B. Whitney? (No response.) Summoned for 11 o'clock to-day, personal service in Washington. The stenographer will note the absence of the witnesses who fail to appear at the time at which they were summoned. Hilary A. Herbert? (No response.)

The committee will call Mr. Frost.

TESTIMONY OF ELIHU B. FROST.

ELIHU B. FROST, being first duly sworn, upon being examined testified as follows:

The CHAIRMAN. Mr. Howard, will you examine Mr. Frost?

By Mr. HOWARD:

Q. Mr. Frost, will you give the committee your name, residence, and occupation?—A. Elihu B. Frost, New York City, lawyer.

Q. How are you connected with the business of the Holland Torpedo Boat Company?—A. I have the general management.

Q. Are you a member of either of the corporations?—A. Yes, sir; I am.

Q. Of either, or both?—A. Of both.

Q. Of how long standing is your connection with them?—A. Since 1886.

Q. Are you in Washington in connection with the business of these corporations?—A. Yes, sir; I am, sir.

Q. Have you been frequently in Washington in recent years in connection with that business?—A. Yes, sir; I have, sir.

Q. What particular branch of the business do you devote yourself to the exclusion of the other members of the corporation?—A. Will you repeat the question?

Q. What particular branch of the business of the corporation do you devote yourself to to the exclusion of the other members of the corporation? Is there anything in the company's business that you do exclusively?—A. No, sir.

Q. Then what particular branch of the company's business do you devote yourself to in connection with the other members of the company, and what other members?—A. Everything I do is subject to the approval of Mr. Rice, our president.

Q. Is there any intervening supervising authority between your acts and Mr. Rice?—A. No.

Q. Now, then, particularly, what are your duties—what have they been?—A. I think I said the general management of the affairs of the company.

Q. Well, you did not go to Europe for the company, did you?—A. No, sir; connected with the American business.

Q. Now, then, do you connect yourself with the naval designing and construction of torpedo boats?—A. I am not a technical man. I am in communication with Mr. Spear constantly, and with the Fore River Ship Building Company, with all their contracts, and conduct the negotiations.

Q. Do they consult you about any technical matter of construction?—A. No.

Q. Then you are not in that line of business?—A. It is talked over; yes.

Q. But not with a view of getting your opinion?—A. Not with a view of getting any good opinion.

Q. They would not ask you how large a crank pin ought to be or crank shaft?—A. No.

Q. They would not ask you about air valves?—A. No.

Q. Or whether you should work with a hydroplane?—A. No, sir.

Q. Now, then, what is there in connection with the business that you would not consult them about?—A. Well, I would consult Mr. Spear about a great many things, matters of policy, business policy, on general business arrangements; there is a great deal of that.

Q. Is it or not a part of your business to appoint such agents and attorneys as the company finds necessary?—A. Generally subject to Mr. Rice's and Mr. Johnson's approval.

Q. Have you appointed any agents or attorneys at any time for the company's interests?—A. Yes, sir; I have.

Q. Who are they?—A. Mr. Kellogg and Mr. Gordon.

Q. Have you ever employed any others?—A. Yes, sir; I have employed ex-Senator Thurston.

Q. Any others?—A. And Senator Butler—Marion Butler.

Q. M. C. Butler, or Marion?—A. Marion.

Q. Any others?—A. I have no recollection of any others.

Q. Did you ever employ Mr. Eppa Hunton?—A. No, sir.

Q. Do you know him?—A. I do, sir.

Q. Has he ever been in your company's employ?—A. He has, sir.

Q. Have you ever employed Mr. Creecy?—A. I did.

Q. Did you ever employ C. S. McNeir?—A. Yes. Pardon me, my answer was—I assumed that the committee knew that these other gentlemen were employed; I didn't intend to conceal the employment of those other gentlemen at all.

Q. I drew no inference whatever from your failure to answer. Did you employ M. C. Butler?—A. No, sir.

Q. Has he been employed within your knowledge by the company?—A. He was employed by Mr. Creecy, sir.

Q. Did you employ Mr. F. P. B. Sands?—A. I did not.

Q. Has he been employed by your company?—A. He was employed by Mr. Creecy.

Q. Did you employ Dr. W. R. Kerr?—A. I did not, sir.

Q. Has he ever been in the employ of your company?—A. He has not, sir.

Q. Tell me, please, when ex-Senator Thurston was employed and when he went out of the company's service.—A. He was employed, I think, sir, in 1903, and went out of the employ of the company, I think, about a year or a year and a half later.

Q. Do you know the nature of the contract between your company and Eppa Hunton?—A. No, sir; I do not. I did know it at one time, but I have no recollection of it at the present time; it was some years ago.

Q. Was it a written or a verbal contract?—A. I do not know that, sir.

Q. Were the conditions of it absolute or contingent?—A. Absolute, so far as I know, sir.

Q. Was the contract performed, or how did it terminate?—A. I do not know that I can answer that question. He was employed by Mr. Creecy, and how it was terminated I do not know.

Q. Do you remember the contract with Mr. Creecy?—A. Not fully; no.

Q. Will you state what you do remember about it?—A. Generally, that he had entire charge of the business in Washington, and he was authorized to employ such attorneys as he saw fit, and I was not consulted about that; possibly at times I was, but as a general rule I was not.

Q. Can you give the period of his contract—tell when he was employed and about when it terminated?—A. I think Mr. Creecy was employed back in 1893.

Q. Do you remember when it terminated?—A. I think in the spring of 1903.

Q. Do you remember how and why?—A. I think that it came to the end of the year of his employment, and that we felt that we could get along in a cheaper manner by attending to the business ourselves.

Q. Was his contract a contingent one?—A. I believe it was; yes.

Q. How was he paid—how much?—A. Mr. Creecy has testified to that.

Q. Did you read his testimony?—A. Yes, sir; I read his testimony; yes.

Q. Do you remember it, generally? Do you remember his testimony?—A. I think generally; yes.

Q. Will you adopt his version of it as the truth?—A. So far as my recollection is concerned, it is true.

Q. So that all that he said about the nature of the contract, how it terminated and what he earned, you corroborate?—A. So far as I remember; yes.

Q. Now we come to Mr. McNeir. Tell me, please, about his contract—when it began, how long it is to run, whether it is contingent or absolute—just as rapidly as you can pass over that.—A. I think he has been employed by us two or three years; his contract is absolute.

Q. Still operative?—A. It is, sir.

Q. In your service?—A. Yes, sir.

Q. Mr. Butler, M. C., that was ex-Senator Butler, of South Carolina, as I take it.—A. He has not been employed for some time.

Q. You read his testimony before this committee?—A. I think most of it.

Q. You remember it?—A. In a general way; yes.

Q. Are you willing to let that statement of the facts stand that he testified to, or would you rather be questioned?—A. I think I would rather be questioned.

Q. What was his contract, when was it made, and what was it for?—A. His contract was made by Mr. Creecy, and whether oral or written I do not know.

Q. Let me refresh your memory about that. Did you see recently in the Washington Post a publication of an alleged written contract between Senator Butler and the Holland or the Electric Boat Company?—A. I did, sir.

Q. Did you read it?—A. I did, sir.

Q. Does that refresh you? Now, I ask you was that contract with Senator Butler a written or verbal one?—A. I have no recollection of that; it was back in 1896, and I had no personal control of it at all.

Q. Now, when did that terminate? When did he quit your service?—A. I should think about three years ago, to the best of my recollection.

Q. Do you remember why?—A. I don't think he cared to go on any longer; wanted to go down on his plantation and take life easy.

Q. Where was that?—A. I think at Edgefield.

Q. What State?—A. South Carolina.

Q. Who represented in part the State of South Carolina at that time?—A. I think Senator Tillman.

Q. Does he still represent that State in part?—A. I believe he does, sir.

Q. So the Senator quit your employment before the Senator quit the Senate?—A. Yes, sir.

Q. F. P. B. Sands; will you tell us about Mr. Sands and his employment, the nature of his contract?—A. Mr. Sands was employed by Mr. Creecy and I am not familiar with the terms of his contract; he was never employed by me. Mr. Creecy's statement with reference to Mr. Sands is correct, as I remember it.

Q. Mr. Sands's statement about it would be correct, wouldn't it?—A. I presume so far as that is concerned, but not so far as his statement as to my employment.

Q. Marion Butler?—A. He was employed by Mr. Rice and by me.

Q. When?—A. I should say some time in 1904.

Q. Under a contract of what kind?—A. Annual retainer.

Q. Is there any element of contingency in addition to the retainer?—A. No, sir; there is not.

Q. W. D. Gordon; did you make a contract with him?—A. I employed Mr. Gordon at the recommendation of Mr. Johnson, who had met him in some other business matters, to represent us as general counsel. His contract was not contingent; his services were to be paid; his compensation was left to me.

Q. Is that contract terminated?—A. No; it still exists.

Q. John P. Kellogg; did you make that contract?—A. I did, sir.

Q. Tell the committee, please, about it.—A. I met Mr. Kellogg at the Edgewood Inn Hotel, I think, two years ago, in Greenwich, Conn., by chance, and we spent the evening together there, and he asked me how I was getting along and I told him we were having a hard time; and he asked me how his Congressman was on the question, and I asked him who his Congressman was and he said Mr. Lilley; and I said that my general impression was that he was opposed to the submarine boat, and the conversation went on, and I said either then or at a later period that Connecticut was the center of all the misstatements that came out about our boats, and that I was very glad that I had been reminded of him, and that I would be very glad if he would take such literature as I could send him, and if he was satisfied with the merits of our proposition, whether he would not interest himself in it and correct some of the misinformation which was constantly coming from Connecticut and poisoning the ears, or minds, rather, of the Members from that State. And we then and there entered into an arrangement which was not contingent, and it was left for me to fix from time to time.

Q. You selected him, then, as kind of an Ananias antidote?—A. Yes; a good deal.

Q. Now, you had, then, actively employed at the present time and for as much as three years past, Mr. McNeir, Mr. Marion Butler, Mr. W. D. Gordon, Mr. John P. Kellogg, in addition to your own firm?—A. Yes, sir.

Q. Will you tell the committee the circumstances that induced you to employ Mr. W. D. Gordon? You have spoken of how you came to employ Mr. Kellogg; tell now how you came to employ Mr. Gordon.—A. My employment of Mr. Gordon was largely upon the recommendation of Mr. Johnson, who had had business dealings with him, and he told me he considered him a very competent man, and as we had a great many matters constantly coming up I concluded to employ him.

Q. And where, particularly, were those questions coming up?—A. Coming up in Washington, coming up in New York, and those are the two places.

Q. Now, can you locate a little closer than in Washington, where they were coming up?—A. At the Navy Department.

Q. Who was at that time Secretary of the Navy?—A. Mr. Newberry.

Q. Was he Secretary?—A. Assistant Secretary.

Q. What State was he from?—A. Michigan.

Q. What State is Mr. Gordon from?—A. Michigan.

Q. Do you know whether or not, or did you know at the time of Mr. Gordon's employment, that he was personally known to Mr. Newberry?—A. I knew it, but I can not say whether it was immediately before or immediately after his employment.

Q. Can you say or not whether he was a man of any political strength in Michigan?—A. I knew that he had been United States district attorney and was at that time.

Q. Do you know whether or not he belonged to the same political party as Mr. Newberry?—A. I did know that he belonged to the same political party.

Q. Was there any fact within your knowledge connected with his employment that led to it—that induced it?—A. No, sir.

Q. What service did you exact of him after his employment?—A. To go before the Department at various times, summoning him to New York to confer about the various questions that were arising there, and to advise us on questions of policy, and latterly on the question of the Lake contract, which we understood was to be given.

Q. Do you know whether or not at the time you employed Mr. Gordon that there was a Representative in Michigan, a member of the Naval Committee, and who he was?—A. I knew that there was a Representative from Michigan; yes.

Q. Did you know who he was—was a member of the Naval Affairs Committee?—A. Yes; Mr. Loud.

Q. Did you know at that time there was a Senator of the United States a member of the Naval Affairs Committee from Michigan?—A. I probably did know.

Q. Now, then, when you employed Mr. John P. Kellogg, you stated that for certain reasons that you have gone over you employed him. Was he a man of any political influence in the State of Connecticut known to you at the time you employed him?—A. I knew nothing about his political influence; I knew that he was a man of high standing and character, and that largely influenced me.

Q. Did you not know that he at that time held an official position in that State?—A. I did not.

Q. Did you learn it soon afterwards or how soon?—A. I do not recall how soon afterwards I did learn it.

Q. In addition to these general troubles that you had with Connecticut sentiment, did you know whether or not a Member from Connecticut, a Member of Congress, who was a member of the Naval Affairs Committee?—A. I did, sir.

Q. Who was he?—A. Mr. Lilley.

Q. Now, you have not said, I believe, why you employed Mr. McNeir.—A. I employed Mr. McNeir to look after the details of our Department business; all the business in the Department.

Q. Now, what is the range and character of that business; what is the volume of it; what extent is there of it that would justify the employment of Mr. McNeir?—A. Well, there are questions constantly arising in the Department.

Q. Now, how do they arise?—A. Well, I would not pretend to tell you all of them; I can mention a couple of them.

Q. A sample.—A. Many questions arise at the time of making contracts; a very serious question arose over the present contract that we were obliged to employ none but American citizens to work on our boats. We had a serious question in reference to a question of whether we might not be allowed to buy a new crank shaft for the *Octopus* abroad, where we could get it in about five weeks after paying the duty, and about one-quarter the price, rather than wait twelve months to get it in this country. We had a question about the acceptance of engines, the running down of reports, the securing of payments, and a great many matters which I think Mr. McNeir could give more definitely than I.

Q. Have you made it a part of his business to interview Members of Congress, either on or off the Naval Affairs Committee, connected with submarine legislation?—A. No, sir.

Q. Have you ever requested him to see, to speak with, or influence or attempt to influence any Member of Congress on the subject of naval programmes, on the subject of submarine legislation?—A. Not to my recollection.

Q. If you had done such a thing, would you remember it?—A. I think I should; yes, sir.

Q. Did he ever make any report to you of any interview between himself and any member of the Naval Affairs Committee, or Member of Congress, touching the attitude of such Member in regard to submarine legislation?—A. I think he told me of an interview with Mr. Kahn; an interview with Senator Ankeny. I think those are the only two, at any rate, that I recall at the present time.

Q. Did you employ him to have that interview with Mr. Kahn and Senator Ankeny?—A. I did not.

Q. Did you employ him to do anything like that?—A. I did not.

Q. Was or was not it a voluntary act on his part?—A. I should consider it a voluntary act.

Q. Was there any other officer in your company who could have given him instructions to have these interviews? Some one not known to you?—A. I think not.

Q. Now, what authority did you give Mr. McNeir, or what instructions or directions, to employ any newspaper agents for the purpose of publishing articles favorable to the interests of your company?—A. I gave no instructions.

Q. What directions?—A. Or no directions.

Q. Did you indicate to him that that was desired by you?—A. I do not think I did; no.

Q. Did he or not ever employ any newspaper man—specifically Lord, Erly, or any other newspaper man—with or without your knowledge and consent?—A. I knew of the employment of Mr. Lord and Mr. Erly.

Q. You knew of that?—A. I did, sir.

Q. How did you know it?—A. I knew it from Mr. McNeir.

Q. Before or after the fact of the employment?—A. I believe after.

Q. What did you know about it, how was it reported to you, what did you say about it?—A. I do not recall exactly what he said, except generally that Mr. Lord was going to take his vacation at or about the time that the trials at Newport were to take place and that he had consented to go down there with him as his guest. I do not really recall about Mr. Erly; I do not think I knew of it until a short time ago.

Q. Has your attention been called to the testimony of Mr. Lord, of the fact that he received from Mr. McNeir something like 6, 7, or 8 dollars, or some considerable sum of money?—A. Yes, sir.

Q. Received that in consideration of certain newspaper articles and setting forth this submarine boat?—A. Yes, sir.

Q. Have you ever paid any money to Lord on that subject?—A. I have heard of it.

Q. Did you pay a portion of the money to Lord?—A. Yes, sir; I think I paid a portion of it to Mr. Lord through Mr. McNeir's expense account, and I think I knew what it was for, and, in fact, I know I knew what it was for.

Q. Did you see the articles before they appeared in print?—A. I did not.

Q. Have you seen them since?—A. I do not know that I have.

Q. Did you give any direction as to the character of article you wanted?—A. I did not. I was not at the trials at Newport and did not see Mr. Lord.

Q. Now, if you did not direct this article to be procured to be published or written, if you did not direct what they should contain, if it was not such an article as you could have approved after it was published, just why did you pay for it, if Mr. McNeir had no specific authority to contract that liability?—A. I think that I said that I knew that Mr. McNeir was going to do it. I think I stated that in my former answer that so far as directing what that article should be, that I had absolutely nothing to do with it.

Q. Did you direct that it should be an article in the interests of the boat company?—A. No, sir.

Q. Then, what direction did you give as to what the character of the article should be?—A. I gave no directions.

Q. You left that to Mr. McNeir's discretion?—A. To Mr. McNeir entirely.

Q. Now, then, what knowledge have you of the payment to Mr. Erly by Mr. McNeir of the sum of $36 or any other sum?—A. I have no recollection of knowing about that until I read the testimony.

Q. Was that article presented to you for payment and approval, and did you pay for it?—A. It may have been, but I do not recall it.

Q. Do you know the work was paid for in that sum of money; do you know what services were rendered for it?—A. I do not.

Q. Was it newspaper work, or what was it?—A. I really do not know, sir; I left that entirely to Mr. McNeir.

Q. Did you know Erly at the time?—A. No, sir.

Q. Do you know him now?—A. I know him now, yes, sir; met him.

Q. Did you know at the time this payment was made, prior to that time, that he was a newspaper reporter, having the privilege of the House of Representatives?—A. I did not.

Q. Did you know Lord at the time he was employed as a newspaper reporter that had the privileges of the House of Representatives?—A. I did.

Q. Did you, in consideration of that fact, direct his employment?—A. No, sir.

Q. Did you have any interview or consultation with Lord or with Erly?—A. No, sir; I have known Mr. Lord for ten years or so, but very slightly.

Q. Did you ever yourself, or by procurement of any other person, have Lord to interview any Member of Congress with respect to submarine legislation?—A. No, sir.

Q. Did you ever, in person or through any other person, induce Erly to approach any Member of Congress with respect to submarine legislation?—A. No, sir.

Q. Did you ever induce Lord, in person or through any other person, to write and have published in the press any statement respecting any person or State intending to benefit the Electric Boat Company in its interests before Congress?—A. No, sir.

Q. Did you ever, in person or through any other person, approach Erly and direct or attempt to procure him to publish or cause to be published in any newspaper or in any publication in the United States any article or thing about any person or State calculated to benefit the Electric Boat Company in the legislation before Congress?—A. No, sir.

Q. Have you any other attorneys or agents not named in this list about whom I have questioned you in the employment of your company in the United States?—A. Yes, we have a great many; I do not recall them all.

Q. Attorneys?—A. Yes, sir.

Q. And agents in the United States?—A. Not in connection with Washington business.

Q. Let me make it more specific. Do you know the members of the Naval Committee of the House of Representatives of the Sixtieth Congress?—A. I know some of them.

Q. Mr. Frost, do you know that Mr. George Edmund Foss is a member of the Naval Affairs Committee in Congress?—A. I do, sir.

Q. Do you know what State he is a resident of?—A. I do, sir.

Q. Have you or your company, to your knowledge, any agent or attorney in the district of Mr. Foss?—A. No, sir.

Q. None at all?—A. None at all.

Q. Have you ever had?—A. Never.

Q. Do you know Henry C. Loudenslager, of New Jersey?—A. I do, slightly.

Q. Do you know what district he comes from?—A. I do not, sir.

Q. Do you know that he is a member of the Naval Committee of this Congress?—A. I do, sir.

Q. Do you know that he was a member of the Naval Committee of preceding Congresses?—A. I do, sir.

Q. Have you employed or authorized to be employed, or have you knowledge of the employment by your company of any attorney or agent to represent the interests of your company in Mr. Loudenslager's district?—A. No, sir.

Q. Do you know Thomas S. Butler, of Pennsylvania?—A. I do not.

Q. Do you know where he comes from, what State and district?—A. Pennsylvania; but I do not know his district.

Q. Have you in person or through any other person or any other member of your firm to your knowledge employed or caused to be employed any attorney or agent to represent the business of your corporation located in the district of Mr. Butler?—A. No, sir.

Q. Do you know Sydney E. Mudd, of Maryland?—A. I do not, sir.

Q. Do you know where his district is?—A. I do not, sir.

Q. Do you know whether you have any attorney or agent employed in his district, or if you do not know his district, have you any such attorney or agent in the State of Maryland?—A. We have not, sir.

Q. Do you know Ernest W. Roberts, of Massachusetts?—A. I do, sir.

Q. Do you know his district?—A. I do not, sir.

Q. Is there any attorney or agent in your service in his district or in his State in the interests of your company?—A. No, sir.

Q. Do you know George Alvin Loud, of the State of Michigan?—A. No, sir; I do not, sir.

Q. Do you know his district in Michigan?—A. I do not, sir.

Q. Do you know whether you have employed any agent or attorney or representative of your company who lives in his district or in his State?—A. After we had Mr. Gordon and paid him and he examined the papers, literature that we had, as to whether he would enter our employment, I learned that he was in Mr. Loud's district.

Q. Do you know Arthur M. Bates?—A. I do.

Q. Do you know his district?—A. I do not, except that he lives in Meadville.

Q. Have you or your company employed any agent in Mr. Bates's district?—A. No, sir.

Q. Have you any such agent or attorney in the State of Pennsylvania?—A. I think in one of our constituent companies some complaint in a patent suit was drawn by a lawyer in Philadelphia.

Q. Do you remember the name?—A. I do not.

Q. Do you remember the time about when that was?—A. I think about three or four years ago.

Q. Is he related to or personally acquainted with Mr. Bates?—A. I never heard that he was.

Q. Did you employ him?—A. No, sir. I do not know that he is now in our employment.

Q. George L. Lilley you know or have heard of?—A. I have heard of him, and I have met him.

Q. His case has been covered by what you previously stated upon this subject. W. Aubrey, of Ohio; do you know him?—A. I know him.

Q. Have you employed or has your company employed any agent or attorney in his district at any time?—A. No, sir.

Q. In your service?—A. No, sir.

Q. Albert F. Dawson, of Iowa; have your company employed any agent or attorney in that district or in that State?—A. No, sir; I do not know Mr. Dawson.

Q. Do you know that you have no attorney or agent in that State?—A. Never.

Q. Do you know J. Van Vechten Olcott, of New York?—A. I do.

Q. Has your company employed any agent or attorney in Mr. Olcott's district to represent its business interests here?—A. No, sir.

Q. To represent its business interests anywhere?—A. Well, we employ a number of firms of lawyers in New York, and whether any of the members of those firms live in Mr. Olcott's district I can not say. I do not know where they live. I know them merely in a business way. There may be half a dozen living in his district.

Q. Whom you have employed?—A. Some time ago, before Mr. Olcott was on the Naval Committee.

Q. Did you ever employ any one of those lawyers to look after any matter before any committee of Congress?—A. No, sir.

Q. Or before any Department of the Government in Washington?—A. No, sir.

Q. Do you know William R. Ellis, of Oregon?—A. I do not.

Q. Do you know whether your company has employed any attorney or agent in the State of Oregon to represent your company's business interests there or elsewhere?—A. I know it has not.

Q. Do you know William W. Kitchin, of North Carolina?—A. I have met him.

Q. Has your company employed any agent or attorney or any person living in Mr. Kitchin's district for any purpose whatever at any time?—A. Not to my knowledge.

Q. If it had been done for any business in Mr. Kitchin's district or any business in Washington before either Congress or the Departments, would you likely have known it?—A. I think I should; yes.

Q. You would have known it?—A. Yes, sir.

Q. Are you clear and distinct in your recollection that there is no such employment of any such person?—A. I merely qualify my answer, whether Senator Marion Butler was in Mr. Kitchin's district or not; that is the reason of my answer.

Q. Then I will put it in that State; have you in your service employed anybody from the State or living in the State of North Carolina in your service?—A. I think Senator Marion Butler is from the State of North Carolina.

Q. Is he the only person who is a citizen of North Carolina in your employment?—A. Yes, sir.

Q. Who has been in your employment since Mr. Kitchin has been a member of the Committee on Naval Affairs of the House?—A. Yes, sir.

Q. Lemuel P. Padgett, of Tennessee; do you know him?—A. I do not.

Q. Do you know whether or not your company has employed any attorney or agent in the State of Tennessee for any purpose whatever, there or elsewhere?—A. I know it has not.

Q. Do you know that to be also true during the service of Lemuel P. Padgett as a member of the Naval Affairs Committee?—A. I do.

Q. Alexander W. Gregg; do you know Mr. Gregg?—A. I do not.

Q. Do you know what State he comes from?—A. I do.

Q. Has your company at any time since Alexander W. Gregg was a member of the Committee on Naval Affairs of the House employed any agent or attorney or other person living either in his district or a

citizen of the State of Texas for any purpose there or elsewhere in the interests of your company?—A. Mr. Cowart, of Texas, was employed by our company.

Q. When?—A. I think some nine or ten years ago, by Mr. Creecy.

Q. Did you make the contract?—A. No, sir.

Q. Do you know of it?—A. No, sir; I do not know of it.

Q. Are you certain of the time that contract ran?—A. I think it was from year to year?

Q. Is it an existing contract, or has it expired?—A. It is existing.

Q. It is existing now?—A. Yes, sir.

Q. He is from what State?—A. Texas.

Q. Do you know whether he lives in Mr. Gregg's district?—A. I understand he does not live in Mr. Gregg's district.

Q. What is the nature of that contract?—A. An absolute contract, a yearly salary.

Q. He is paid by the year?—A. Yes, sir.

Q. He is drawing that salary now?—A. Yes, sir.

Q. What are his duties?—A. To advise. Mr. Cowart is a lawyer of ability, and I may say he was rather handed down to me by Mr. Creecy, and I continued him along, and he is called in in conferences on the various questions that come up before the Departments for his opinions and as to matters of policy.

Q. He is one of the traditions of the company, then?—A. Yes, sir.

Q. Have you had any interview with Mr. Cowart with respect to the legislation in the pending naval bill before the Naval Committee?—A. I think I may have; yes, sir.

Q. Do you remember where and the substance of it?—A. Yes, sir. I have discussed at various times with Mr. Cowart matters before the Department, and largely matters before the Department that were up.

Q. Have you ever discussed with him the attitude of Mr. Gregg or any other member of the Naval Affairs Committee during Mr. Gregg's service?—A. I may have talked about it with him as a matter of gossip. Mr. Gregg's position on the submarine-boat question has been very well known from the debates in Congress heretofore, back in 1906, I think.

Q. Do you know Joshua F. C. Talbott?—A. I do.

Q. Have you employed any agent—I believe I asked you that in connection with Mr. Mudd, and you said you had not?—A. I have not.

Q. Does that apply to Mr. Talbott also?—A. Yes, sir; it does.

Q. Robert Lamar, of Missouri?—A. I do not know him.

Q. Have you had any agent or attorney in the State of Missouri since Mr. Lamar's membership in Congress?—A. No, sir.

Q. Richmond P. Hobson, of Alabama; have you any agent or attorney in the State of Alabama?—A. We have not.

Q. John T. Watkins, of Louisiana; have you any agent or attorney in the State of Louisiana in the interests of your company? I am going back into the time of Mr. Meyer, and I do go back now.—A. No, sir.

Q. I ask you if you have had since your connection with this company any agent or attorney in the State of Louisiana?—A. No, sir.

Q. For any purpose?—A. No, sir.

Q. On page 49 of the hearings these questions were asked Mr. Lilley:

Q. In what districts are you satisfied in your own mind that there are attorneys in their employ, and what attorneys?—A. I do not care to make the statement further than that I believe that there will develop a number.

Q. We want your basis for that statement.—A. Those that I know of and am very certain of I have given you.

Q. You say that you are convinced in your own mind that there are others?—A. Yes, sir.

Q. What is the basis of your conviction?—A. Knowing the ramifications of the habits or the customs of the company is enough to convince me that you will find them in practically every district.

Q. Every Congressional district?—A. Practically—where there is any chance for them to work. Where there is any chance for them to do business you will find them. That is one of their methods.

Now, it seems that you have one in Mr. Loud's district, in the State of Michigan; that you have one in the State of Texas, and that you have one in the State of New York, and one in the State of Connecticut. Now, I ask you to refresh your recollection, and are there any others?—A. No, sir.

Q. No others?—A. No, sir.

Q. You say you are informed that Cowart does not live in Gregg's district?—A. Yes, sir.

Q. You say he was employed and handed down as a tradition from Mr. Creecy's times?—A. Yes, sir.

Q. Some ten years ago?—A. I think it was about ten years ago.

Q. Are you quite familiar with the fact that Mr. Gregg entered Congress more recently than that? Do you know when Mr. Gregg went on the Naval Committee?—A. I do not.

Q. So, then, it is a fact that Cowart's employment was before Mr. Gregg was a Member of Congress?—A. Absolutely.

Q. And had continued a number of years before Mr. Gregg went on the committee?—A. Yes, sir.

Q. And that he does not live in his district?—A. I know that from Mr. Gregg's testimony, which I read.

Q. Then, was or not this employment by your company related in any wise to the attitude of Gregg as a Member of Congress or as a member of the Naval Affairs Committe?—A. Not the slightest.

Q. What is Cowart's name?—A. Robert E., I think.

Q. So far as you know, there are agents or attorneys employed in only two Congressional districts represented on the Naval Affairs Committee?—A. So far as I know.

Q. One from Connecticut and one from Michigan?—A. Yes, sir.

Q. And Mr. Lilley is the Connecticut Member?—A. Yes, sir.

Q. Mr. Loud is the Michigan Member?—A. Yes, sir.

Q. And it is incidentally true that Mr. Newberry is Assistant Secretary of the Navy?—A. Yes, sir.

The CHAIRMAN. The committee will proceed with Mr. Frost's testimony at 2 o'clock, and the committee will take a recess until 2 o'clock this afternoon.

(Thereupon the committee took a recess until 2 o'clock p. m.)

AFTER RECESS.

The committee met, pursuant to the taking of recess, at 2 o'clock p. m.

All the members of the committee were present.

The CHAIRMAN. We will continue the testimony of Mr. Frost.

TESTIMONY OF ELIHU B. FROST—Continued.

By Mr. HOWARD:

Q. Mr. Frost, have you any personal knowledge of making contributions by your company to any national Republican campaign fund since your connection with either corporation?—A. I have not.

Q. Did your company, to your knowledge, make any contribution to the national Democratic campaign fund?—A. It did not.

Q. In any year since your connection with either company?—A. No, sir.

Q. Did you, for your company—and I mean either of those constituent companies——A. I understand.

Q. Make contribution to any member or candidate for Congress, either Democratic or Republican?—A. We did not.

Q. At any time, in any year since you have been connected with these companies?—A. No, sir.

Q. Have you, directly or indirectly, personally or through any other person or persons, attempted to influence any Member of Congress in favor of submarine legislation by favors, gifts, banquets, money, or property, or any other thing of any value whatever?—A. No, sir.

Q. At any time?—A. No, sir.

Q. Since your connection with either of these companies?—A. No, sir.

Q. Any Member of Congress, both House and Senate?—A. No, sir.

Q. Since your connection with those two companies?—A. No, sir.

Q. Neither by yourself nor at your expense nor through any other person?—A. No, sir.

Q. Have you any knowledge of such things having been done?—A. No, sir.

Q. For or on behalf of your company?—A. I have no knowledge, and I do not believe any such thing has been done.

Q. Have you yourself, or through any other person for you, for the benefit of yourself or your corporations, used any influence or spent any money to acquire the influence of any part of the press of the United States in the interest of submarine legislation?—A. No, sir.

Q. Have you personally or through any other person attempted to exercise any influence over the Navy Department or any official in it to induce favorable consideration of any contract for which you were bidders for submarine boats? If you wish the question specialized more particularly, the kind of influence I refer to would be what anybody would call an improper influence?—A. Then I say "no" to that; but the influence of argument and the presentation of the facts and asking for a fair, square deal, I have repeatedly talked to the Secretary of the Navy.

Q. Will you please go as fully into detail about that as your memory serves you—what steps you have taken, when, how, and through what companies, and with respect to the contracts and what stage the

contracts were in? Or, if you prefer, I will ask you specific questions.—A. I think I would prefer that.

Q. Did you ever authorize Mr. McNeir, or employ him for that purpose, to go to the Navy Department and deal with any department there having in hands contracts for submarines, and for what particular service did you employ him to go in that connection?—A. I may have in the general line of his duty asked him to take up various questions that arose in reference to pending contracts, to the acceptance of boats, to the question of payments, and quite a number of things which I do not recall that were perfectly legitimate and proper, so far as I know.

Q. Will you answer the same question as to Mr. Butler?—A. I do not recall having asked Senator Butler to go to the Navy Department.

Q. Did he ever represent your company in any interest it had at the Navy Department?—A. He may have written a letter in reference to the last contract, at the time when the Board on Construction had unanimously recommended that we receive eight boats, and we were only given seven; but that is not clear in my mind.

Q. Did he make any argument or prepare any briefs or make any appearance?—A. He assisted in making a brief before the Attorney-General on the objections made by the Lake Torpedo Boat Company to our receiving any contracts; that I remember.

Q. Any other services of that kind?—A. He may have, but I do not recall them at the moment. If I do I will recur to it, if you will allow me.

Q. W. D. Gordon; give us his service.—A. About the time of his employment we had built an engine in advance of our getting the contract for the four boats which have been referred to as the boats of the *Cuttlefish* class. And this engine was not built positively under any order from the Department, but it had been inspected to a certain extent, having been built at the Fore River yards, where there were a number of naval officers. And a board was appointed by the Chief of the Bureau of Steam Engineering at our request to go and test it, and this board did go and test it and made an unanimous report that that engine be accepted as one of the engines to go into the four boats that had been contracted for by the Government. Some other officer, whose name I do not recall at the present time, went to the Fore River Ship Building Company and asked to test this engine, and came back and brought in an adverse report upon the engine. As I remember, he stated that it was too noisy, it was not reversible, and its working parts were exposed, and we were being very much delayed in the construction of our boats and in securing the proper payments upon our boats, which was a serious thing to us, and this was held up upon the Secretary of the Navy's desk for, I think, a couple of months after this unanimous report came in, and I asked him to go and present the facts to the Assistant Secretary.

Q. That was Mr. Gordon?—A. Mr. Gordon. Mr. Spear and Mr. Bowles had prior to that time made arguments in reference to the matter.

Q. Are you familiar with Mr. Gordon's testimony recently delivered before this committee?—A. I heard some of it.

Q. Did you hear that part of his testimony about his last appearance in Washington some time in the early part of February or the last of January?—A. Yes, sir.

Q. In which he stated that he came here at your request?—A. Yes, sir.

Q. Will you state to the committee if you remember it?—A. I do.

Q. And the particular service he was sent for to perform?—A. Yes, sir.

Q. Please state it.—A. I sent for him to confer with all of our people with reference to the question of whether there was any way we could prevent or, I might say, by which we could secure the balance of the appropriation which we supposed we had won in the competitive tests, but which was reported was to be given to Mr. Lake.

Q. As a matter of fact, at that time, had a contract to the Lake people, made by the Secretary of the Navy, been made—had it been executed?—A. No, sir.

Q. When you sent for Gordon?—A. No, sir.

Q. Do you remember when it was finally instituted?—A. I think it was some time in February.

Q. That was the service at that time for which you sent for Mr. Gordon?—A. Yes, sir.

Q. Did you while he was here request, instruct, or direct Mr. Gordon to approach any Member of Congress, and particularly any member of the Naval Committee of the House, with reference to the legislation then pending before it on the subject of submarines?—A. No, sir.

Q. Did he approach or discuss, to your knowledge, any such question with any such Member?—A. No, sir.

Q. Now, as to Mr. Kellogg. I believe you went into that when we first reached Mr. Kellogg's name and the circumstances under which you came to employ him?—A. Yes, sir.

Q. You wanted to counteract certain influences which you thought inimical arising in Connecticut. Do you wish to say anything else about the service Mr. Kellogg performed?—A. Yes; I talked with him very fully about a libel suit which we had brought against the Lake Company on a circular which they had issued, in which that company said that we had secured the purchase of the *Holland* from the United States Government by misrepresentation, and we brought an action in which we employed as counsel Mr. Samuel Fessenden, of Connecticut, and we never were able to get it to trial. I talked very fully with Mr. Kellogg in reference to that and in reference to how we could get a jury and the question as to whether the statement by the Lake Company that they had withdrawn these circulars from circulation would act in mitigation of damages.

Q. Do you remember the testimony to the effect that he came to Washington and that he saw Mr. Lilley and discussed with Mr. Lilley his attitude toward submarine legislation?—A. I remember it generally.

Q. Did you cause him to come here for that purpose?—A. I do not recall that I did. I might have. I can not recall that I did. My desire was that he should tell Mr. Lilley the truth and the actual conditions of this thing, and I may have asked him to come to Washington, but I am not certain of that.

Q. Did he see and report to you any conversation that he had with Mr. Lilley on his visit here?—A. Why, he told me one night, after

he had been dining with Mr. Lilley, that he did not think that Mr. Lilley was very favorable to the proposition.

Q. What was the proposition?—A. Well, for any submarine boats.

Q. How was it a matter that concerned you how Mr. Lilley stood with reference to submarine legislation?—A. I was naturally very anxious to get some appropriation for submarine boats.

Q. Did you procure Mr. Ferry, of Bridgeport, of the Bridgeport Brass Company, to come to Washington and interview Mr. Lilley?—A. I did not.

Q. Did you cause it to be done?—A. I did not.

Q. Did you know of its being done?—A. I did not know. I never heard of Mr. Ferry until I met him one night at the New Willard Hotel.

Q. Was that before or after his interview with Mr. Lilley?—A. My best recollection is that it was before. I do not think that I saw him afterwards.

Q. Was the subject of his talking to Mr. Lilley brought up between you?—A. It may have been in a general way. There were half a dozen people at the table, and I sat beside him; I came in late, about half past 11 o'clock, and I was merely introduced to him, and there were several others there that I talked with, and I have no recollection of any discussion. The subject may have been mentioned, but I do not remember it.

Q. Is it possible that you requested him to see Mr. Lilley upon this subject?—A. No, sir; it is not possible.

Q. You can not remember it?—A. Oh, no.

Q. No incident of the occasion makes it probable?—A. No; not the slightest.

Q. Did you procure Mr. Franklin A. Taylor to come to Washington to see Mr. Lilley?—A. I did not.

Q. In connection with submarine legislation?—A. I did not.

Q. Have you paid or caused to be paid any sum of money to any naval officer to induce his favorable consideration or report of submarines?—A. No, sir.

Q. Have you paid any sum of money or caused any sum of money to be paid, directly or indirectly, to any official of the Navy Department to induce his favorable consideration of any proposition concerning submarines in which you are interested?—A. No, sir.

Q. I want to read these statements from Mr. Lilley's statement and then ask some questions upon them:

> I propose to show that for several years prior to the Lessler investigation the Holland Company and its successor, the Electric Boat Company, maintained in Washington an organized lobby for the purpose of influencing legislative appropriation in favor of the Holland boat, and that it had under annual retainer C. E. Creecy, Gen. Eppa Hunton, ex-United States Senator Marion Butler, C. S. McNeir, Dr. W. R. Kerr, and others.

I ask you to say whether or not that is true as to either one of these persons named, or true as to more than one, or true as to all of them—that is to say, did your company, or either of these companies, have these gentlemen, or either of them, here in Washington to exercise influence over either Congress or the Navy Department, to influence legislation or the letting of contracts favorable to your company?—A. I presume you make the same qualification that you made in one of your former questions—influencing by argument the Navy Department. We have made arguments before them.

Q. I prefer that you should make the distinction this time.—A. Then I will say no.

Q. "That for several years Mr. Elihu B. Frost, vice-president of the said company, has been a continuous visitor at Washington during Congressional sessions, and that he has spent large sums of money in furnishing entertainment to Members of Congress, and that his expenditures along this line amount to thousands of dollars." You are the person alluded to in this statement?—A. I think so; yes, sir.

Q. Has there ever been any other person of this name connected with this company? A. Not that I know of.

Q. Can there be any mistake about your identity as the person alluded to?—A. I do not think there can.

Q. Then is it true or not that you have been a continuous visitor at Washington during Congressional sessions, and that you have spent large sums of money in furnishing entertainment to Congress, and that your expenditures along this line have amounted to thousands of dollars?—A. I should say that was false.

Q. Is that true if the expenditures amount to less than thousands of dollars?—A. I have had to pay my personal expenses at the hotel, and in the course of twenty years I have undoubtedly spent more than $1,000 and more than $2,000, and the statement that I have been a continuous visitor at Washington during Congressional sessions is not true.

Q. Let me make that a little closer to the edge. Have you spent any money in the entertainment of Members of Congress during this time?—A. During this present time?

Q. No; since you have been a member of the Holland and the Electric Boat companies.—A. Well, in the year 1900 and the year 1902, when we had a couple of submarine boats here and invited all of Congress and all the Navy Department, I undoubtedly did spend money in providing entertainment at the various trials.

Q. Can you say how much?—A. I can not. I know it was more expensive than we wanted it.

Q. Was that confined simply to the matter of entertainment? I am not speaking of the necessary expenses of the experiments with the craft, but was it confined to the entertainment?—A. Yes.

Q. Was that entertainment common to all invited guests?—A. Yes, sir.

Q. Was the opportunity for witnessing the experiments presented and provided for all of the guests?—A. The entire Congress was invited.

Q. What was the nature of the exhibition?—A. An exhibition of a submarine boat—we generally left about 11 o'clock in the morning and got back at 1 or 2 o'clock.

Q. How were those exhibitions given; what did they consist in?—A. They consisted of a 2 or 3 mile run with a submarine boat under water, the shooting of a torpedo, the loading of a torpedo in submerged position, the shooting of the second torpedo, a series of porpoise dives, showing the ability of the boat to come to the surface—just showing its contour—so that the operator could see the object that he was about to attack, and then disappearing, and I may say that that was done wherever anybody was sufficiently interested to go down the river and see it; we gave an examination.

Q. A complete programme of submarine stunts?—A. Yes; submarine stunts.

Q. How many times was that repeated?—A. Why, I think in 1900 we had the *Holland* here for about three months, and we made three or four runs a week, sometimes more. Then in 1901 we got permission from Secretary Long to bring the *Adder*, a boat built for the Government, which had been completed but which had not gone to its final trials, and it was brought to the navy-yard and we gave another series of exhibitions running over three or four months.

Q. Were those first exhibitions given with the *Holland* given before or after the *Holland* had been purchased by the Government?—A. Before.

Q. Were they generally well attended or otherwise?—A. The first run was very poorly attended, but after that time Members became more interested, and we, in addition to our own boat, were obliged to ask for the loan of the President's yacht and one of the tugboats which runs between the navy-yard and Indian Head in order to take the people.

Q. That was the only way in which guests could see the exhibition?—A. There was no other way that we knew of.

Q. What period of time did it cover?—A. I should say three or four months during that time.

Q. Now, how much of each day, or such day as you gave one of these performances—how much of the day was consumed in it?—A. My recollection is it was from about 10 until half past 1 or 2.

Q. Now, as to the entertainment that was furnished, precisely where was it furnished, what did it consist in, and how necessary was it?—A. Well, I always considered if you are going to keep a man away from his lunch that it was necessary to give some entertainment, and I endeavored to provide the same entertainment that I would provide for myself, if I were going on a similar expedition or on any other expedition.

Q. Was the cause and the occasion and the extent of your expenditures in connection with this company in connection with Members of Congress?—A. Do you mean to ask whether I have spent any other money upon entertaining a Member of Congress?

Q. Yes; that is what I am trying to get at. Here is the charge:

> That for several years Mr. Elihu B. Frost, vice-president of the said company, has been a continuous visitor at Washington during Congressional sessions, and that he has spent large sums of money in furnishing entertainment to Members of Congress; that his expenditures along this line amount to thousands of dollars.

A. Possibly I could answer that question in this way, that at the end of 1906, from memoranda that I had in my office, I made up the cost of my expenses in Washington for four years, say, the expenses that were charged to my company, and they averaged $1,800 a year.

Q. "That the Senate amendment to the appropriation bill of March 2, 1907, was prepared and drafted by the attorney for the Electric Boat Company for the purpose of and with the intention to eliminate competition in submarine construction, and to prevent the Secretary of the Navy from exercising any discretion in awarding contracts for submarines." Now, have you any knowledge of any agency of yours set in motion to accomplish that alleged result?—A. No, sir.

Q. Have you any knowledge of any member of the company who set in motion or himself did anything to bring about that result?—A. No, sir. I might say that the amendment as passed did not prevent competition.

Q. "That a thorough investigation by an impartial committee will show that large sums of money have been by the Electric Boat Company, its officers, or agents, contributed to the campaign funds of Members of Congress who favor and have favored the Electric Boat Company's monopoly of submarine construction; also that large sums of money have been spent to accomplish the defeat of members of the Naval Committee who did not favor the Electric Boat Company." I have questioned you particularly in reference to present Congresses. I now desire to ask you whether your company, with your knowledge, has spent any money to elect in any past Congress any person as a Member to that Congress?—A. No, sir.

Q. Did yourself or your company spend any money prior to the Sixtieth Congress to defeat any Member of any preceding Congress?—A. No, sir; never any Congress.

Q. Never in any Congress?—A. Never in any Congress.

Q. "That continued and repeated efforts have been made by representatives of the Electric Boat Company, and its predecessor, to influence the action of the officials of the Navy Department, and that such efforts in the past were so persistent and notorious as to call forth the condemnation and criticism of high officials of the Navy Department, whose testimony can be secured by an investigation committee." Are you aware of any occasion when you have been impressed with the fact that either you or your company have made yourselves obnoxious to the Navy Department or to any official in it, allowing a due degree of sensitiveness to make you responsive to such a suggestion?—A. I think possibly we may have been over there oftener than they wanted us to be there. I think that is quite possible.

Q. Were complaints made about it?—A. Never. I have always been treated with the greatest possible courtesy.

Q. What was the nature of your visits there?—A. On various questions. Last fall I was in Washington three months, or rather three weeks, in June, trying to see if we could get our contract. Then I came back on the 8th of September and remained until the 24th day of November to try and get our contracts. We succeeded in getting them on the 23d.

Q. They were public matters that you were there about?—A. Purely public.

Q. "That it can be shown by a former investigation before the Naval Committee of the House upon which no reports were made to the House of Representatives, that the Holland Company and the Electric Boat Company have been engaged in doubtful and reprehensible efforts to influence Members of Congress and officials of the Navy Department in favor of their boats and appropriations therefor." Have you or your company within your knowledge engaged in any efforts, either before the Congress or the Navy Department, any reprehensible effort to obtain appropriations before Congress and contracts from the Department?—A. I have not, nor do I know of any agent that has.

Mr. Chairman, may we offer the record of the Lessler investigation, which is evidently *referred to* in Mr. Howard's question?

The CHAIRMAN. That may be considered as referred to the committee.

The WITNESS. I mean just the report of the House committee.

The CHAIRMAN. Whatever the witness thinks is pertinent in answering the question, if you will describe what pertains to the question.

The WITNESS. Then I will ask leave to put the entire report in, if you will allow it.

The CHAIRMAN. Very well.

The WITNESS. It is a reprint House Document, Fifty-seventh Congress, Report No. 3482.

(The document referred to is printed in full in the record as an appendix to the testimony of Isaac L. Rice.)

By Mr. HOWARD:

Q. Was not the amendment which was offered and passed by the Senate committee in 1907 drawn by Marion Butler?—A. It was not.

Q. And was it not amended on the floor of the Senate by motion of a Senator who caused a portion of the amendment so passed by the committee to be stricken out?—A. I think the amendment was amended on the floor of the Senate in a slight degree; in what respect I do not know. I was not present at the time.

Q. The question as propounded is, was not the amendment which was offered and passed by the Senate committee in 1907 drawn by Marion Butler, and you answer——A. No.

Q. Now, was not the amendment which was offered and passed by the Senate committee in 1907 prepared or dictated by Marion Butler?—A. No, sir.

Q. "I respectfully ask the committee to ask E. B. Frost the following questions, in the order and form stated, and to insist upon responsive answers.

"I respectfully suggest that the members of the committee, who are expert attorneys, ask, in addition to my questions, the material follow-up questions that naturally becomes relevant from any answers to my questions."

This is from Mr. Lilley:

"Name the various yachts you, your companies, or their representatives have used in connection with your submarines."—A. The *Josephine*, the *Gleam*, the *Giraldi*, and the *Starling*, which the company now owns.

Q. "State names of yachts you, your companies, or their representatives have had in Chesapeake waters for entertaining or showing your submarines to Members of Congress or to naval officers and newspapers."—A. Does that mean yachts owned by us or chartered by us?

Q. This is simply a request for the names of yachts; it does not go into the question of ownership.—A. The *Josephine*, the *Giraldi*, the *Sylph*, and I do not know the names of a couple of tugs which were loaned by courtesy of Secretary Long.

Q. "State the name of the yacht you, your companies, or their representatives used at Washington in connection with showing your submarine *Adder* to Members of Congress."—A. The *Giraldi*, the *Sylph*, and two of the navy-yard tugs, the names of which I do not remember.

Q. "Do you know Henry Catlin?"—A. I do not recall any such acquaintance. Possibly I may have met such a man.

Q. "State whether or not you, your companies, or their representatives ever employed Henry Catlin."—A. Not to my knowledge.

Q. "What did you promise and what did your company pay him?"—A. I have no knowledge of any such man.

Q. "State whether or not Henry Catlin was used by you, your companies, or their representatives in connection with securing the favorable disposition of Members of Congress for your submarines."—A. I have no knowledge or recollection of any such man.

Q. Did Mr. Creecy employ such a person?—A. I never have heard of such a person.

Q. "State whether you, your companies, or their representatives, ever promised to pay or did pay any Member of Congress anything of value in connection with your submarines."—A. No.

Q. "State whether or not you, your companies, or their representatives, ever promised or paid anything of value to any Member of Congress from the State of Ohio."—A. No.

Q. "State whether or not you, your companies, or their representatives, ever employed any person from the State of Ohio to influence the vote of a Member of Congress from the State of Ohio."—A. No.

Q. "State whether or not Representative Thomas requested certain information from Lieutenant Nelson, of the United States Navy, and whether Lieutenant Nelson informed Congress on your submarines."—A. He may have.

Q. I quote from the Naval Affairs Committee hearing No. 123½, May 21, 1902, page 23: "The Chairman. Then you would not at this time advise Congress to buy a large number of vessels of the *Holland* type as a finished product, with no hope or expectation that the science of submarine navigation will be advanced and better types or improvements secured, would you?—Mr. Nelson. I would; yes, sir, because I think, as I say, the *Holland* type of boat at present is a proven reality." Mr. Frost, state whether or not you discussed with Lieutenant Nelson the character of what his testimony was to be before the House Naval Affairs Committee on this occasion.—A. I may have talked with Lieutenant Nelson. I have known him very intimately for a number of years.

Q. "Have you a positive recollection that you had a conversation with him about this testimony, as to what his testimony was to be on this occasion, and what the testimony was not to be?"—A. No, sir; not so far as that testimony was concerned, but I certainly knew what his ideas about submarine boats were.

Q. "State whether or not you discussed with Lieutenant Nelson the general character of the answers he was to make to the request of Representative Thomas for certain information."—A. No, sir.

Q. "State whether or not you, your companies, or their representatives, ever gave anything of value to any enlisted man or naval officer serving in your submarine boats in the United States Navy or being built in the United States."—A. No, sir.

Q. "State whether or not Lieutenant Nelson commanded your United States Navy submarine in which President Roosevelt submerged."—A. He did.

Q. You mean the President did submerge? Or that he did command?—A. Both.

Q. You say that he did?—A. Mr. Nelson did command that boat and I understand the President did submerge.

Q. "State who arranged for the President to go down in your boat."—A. I have not the slightest conception.

Q. "State whether or not you, your companies, or their representatives had anything to do with the numerous newspaper accounts published in regard to Lieutenant Nelson and his operations in your submarine United States Navy boat."—A. No, sir.

Q. "State whether or not you, your company, or its representatives, had a paid publicity agent at the submergence of the President with Lieutenant Nelson."—A. No, sir.

Q. "Do you state under oath that neither you, your company, or its representatives ever paid any money to any United States naval officer for any purpose?"—A. Now, just what is the purport of that question?

Q. "Do you state under oath"—which is the same thing as if that was not here, for you are under oath—"do you state under oath that you, your company, or its representatives ever paid any money to a United States naval officer for any purpose?"—A. No, sir; I can not state that. I can not state that we have not paid. I will explain it. A couple of years ago, or a year and a half ago, I should think, Lieutenant Nelson made an invention, which he offered to our company for sale. I referred the matter to our technical department, and Mr. Spear recommended its purchase for $2,500, and I did purchase it for $1,500.

Q. From Lieutenant Nelson?—A. Yes, sir.

Q. What was that particularly?—A. That was a——

Q. What did it look like?—A. I never saw it.

Q. What was it made out of?—A. It was a process or invention to prevent the fogging of the glass of the periscope. We had had a great deal of trouble at that time with the glass of the periscope fogging and the operator not being able to see, and we purchased it, and we immediately used it upon about 15 boats that we were building for foreign nations.

Q. Was it a success?—A. Mr. Spear informed me that it was a success. He informed me it was a very important thing to acquire. He was making certain experiments himself along that line, but at the time nothing had been consummated that would accomplish the results which this did.

Q. Are you still using it?—A. That I can not say. If you will allow me to testify from Mr. Spear's statement, he says "yes."

Q. You never saw it, and hence can not describe it?—A. No, sir; I know nothing about it.

Q. You do not know whether it was a material thing or a formula?—A. I know nothing about it. I referred it right to our technical department, and Mr. Spear will give you the details of that.

(The witness was here withdrawn for a time and Mr. Spear recalled.)

TESTIMONY OF LAWRENCE SPEAR—Recalled.

By Mr. Howard:

Q. Will you describe this invention?—A. Certainly, sir. Perhaps I had better begin the description by stating to you what the periscope

is. The periscope is an instrument, of course; its general purpose is to enable a submarine boat to remain below the water and at the same time—it is only a small tube 4 inches in diameter—enable the operator of the submarine to see the surface of the water just as if his eye were above the water, while he himself and his boat are from 10 to 15 feet below the surface of the water. This is an optical instrument composed of a series of reflecting prisms and lenses. One of the difficulties about that instrument has been that the moist air which gets in; that air carries a certain proportion of water vapor, and when that is chilled—the water generally being colder than the air—when the boat is submerged it very frequently happens that the moisture in that instrument is condensed, just as you have seen it on an ice-water pitcher. That condensation is what is generally termed a fogging. That fogging of the glass, either on the lenses or the prisms or on the front glass, results in bad vision for the operator of the submarine boat. The consequence is when he should be able to see he may at times be unable to see, and that was a matter about which we had considerable trouble, but we had not had the trouble that we were popularly supposed to have. It was a popular superstition that the spray from the water landing on this glass would obscure the vision. That is not true. As a matter of fact, whenever the thing did get obscured from the outside, all that was necessary was to lower the boat two or three feet, which could be done in a second or two, and wash the glass off, but we did have this trouble with the condensation inside of the instrument. Now, at the time Mr. Frost has testified to, I think his recollection is wrong as to the dates. My recollection is that this matter occurred at least three years ago. In fact, I am very sure of that. At that time I was conducting experiments to overcome this difficulty. I had a design and patented an appliance to overcome this difficulty. This appliance was under a practical test at that time. This must have been in the winter of 1904 and 1905, because I remember distinctly that these experiments took place at our plant at Bayonne, in New Jersey, where we had moved our submarine business at the request of the Navy Department, for the purpose of carrying out certain changes and repairs to submarine boats.

Q. Were those experiments with your invention?—A. They were with my invention.

Q. You are not up, yet, to Nelson?—A. No, sir; I am simply fixing my recollection. We moved there at a very great expense at the request of the Navy Department to carry out those affairs and because Mr. Lake had issued and published a statement, and the Department got scared, and instead of sending the boats to us they decided to do it at the navy-yard, at a much greater expense than it would have cost them to send them to us.

We had at that time under test an invention of my own and my staff. My recollection is the idea was not mine except in a general way. I was consulted by some member of my technical staff. It was a very complicated thing, but a very effective one, which we have since furnished to the Government and found to be effective, but it was very complicated. We were at that time building a number of submarine boats, and we were having trouble in our official trials with the fogging of this periscope, and we did not know how to get around it in a simple way. My invention was a complicated matter and a very effective matter, but it was complicated, and you

could not apply it to an instrument that was already built. You must build your instrument with that in view. At that time Mr. Frost referred to me a patent application, as I remember it—I think the patent was not issued, but it was an application—and asked me whether this would be of value to the company, and if so, what it would be worth. I investigated the matter and reported to Mr. Frost that the matter was of value, that we could use it immediately, and I think I recommended to him to pay no more than $2,500 for it. It was an application for a patent.

Q. The importance of the periscope apparatus was to do away with the condensation of moisture that resulted from the different temperatures of the atmosphere within the hull of the vessel and the circumambient—or what you call it——A. That is correct; the moisture inside of the instrument due to the cooling deposits this moisture.

Q. You applied it?—A. Immediately, to the vessels.

Q. Built for foreign service?—A. Yes, sir.

Q. Was or was not the effect of this application of this invention to pass your vessels past the inspection?—A. It was; it did pass, and I have never heard of any——

Q. Are you still using that?—A. Yes, sir; in a modified form—not the exact form of it, but under the same patents.

Q. What do you estimate the value of it to be?—A. I should say it was worth about $50,000. I think we made a very good bargain when we got it for $1,500. We have applied it to more than 25 periscopes, and never could have got it at a royalty at less than——

Q. Could the thing be brought here?—A. I think you could bring the whole instrument here. You could bring the whole thing, if you wanted to, here; the whole instrument would be about 20 feet long, sir.

Q. You have it patent righted?—A. I think so, sir. I do not suppose Mr. Frost would have purchased it unless the patent was granted. My understanding in the matter is that the patent was granted and was assigned by Mr. Nelson to Mr. Frost and the company.

Q. Do you have personal knowledge of that?—A. In that particular matter, no, sir; my personal knowledge is confined to the fact that it was referred to me for a report as to what it was worth and the efficiency of the invention to the user. That is all that is in my personal knowledge.

EXAMINATION OF MR. FROST—Resumed.

Q. We will come back to you now. Was it patented?—A. Yes.

Q. A record made of it?—A. Yes, sir.

Q. Transferred to whom?—A. Assigned to me, sir.

Q. And you paid $1,500 for it?—A. I did, sir.

Q. (No. 22.) Do you state under oath that either you, your company, or any of its representatives did not give any money to any enlisted man in the United States Navy for any purpose?—A. Yes. I mean to say we did not give any money to any enlisted man.

Q. Has your company or any officer of your company or agent paid any money, directly or indirectly, to any enlisted man in the United States Navy at Newport or elsewhere?—A. No, sir.

Q. Do you state, under oath, that neither you, your company, or its representatives gave any money to any United States navy officer for any purpose?—A. I have answered the question.

Q. State whether or not you would likely know if $1,000 was given to any naval officer for any purpose by the Electric Boat Company.—A. No, sir.

Q. Do you mean that you would not likely know, or that you would likely know?—A. I should know it.

Q. Do you know?—A. I know that it has never been done.

Q. State, under oath, whether or not you have any knowledge of the Electric Boat Company or its officers giving $1,500 to any United States navy officer for any purpose.—A. I have just testified giving $1,500 for a patent to Lieutenant Nelson.

Q. The periscope?—A. The periscope.

Q. State whether or not you sent a letter, on the letter head of the Electric Boat Company, in which it was stated that $1,500 was being sent to a United States naval officer.—A. I did not catch the question.

Q. The question is: State whether or not you signed a letter, on the letter head of the Electric Boat Company, stating that $1,500 was being sent to a United States naval officer. In other words, did you write a letter on your company's stationery saying that you sent $1,500 to a United States naval officer?—A. Not unless it referred to the purchase of this periscope, or of the patent.

Q. State whether or not any United States naval officer or Government official of the United States holds or owns, directly or indirectly, any stock or notes of the Electric Boat Company.—A. No.

Q. State whether or not any relative of any United States naval officer, enlisted man, or Government official holds or owns, directly or indirectly, any stock or notes of the Electric Boat Company.—A. I do not know that; I do not know all the relatives.

Q. State whether or not, to your best knowledge, any Member of Congress or relative of any Member of Congress holds or owns, directly or indirectly, any stock or notes of the Electric Boat Company.—A. I know that no Member of Congress holds any, but whether any relatives hold any, that I certainly do not know.

Q. Not being an attorney, and being denied the privilege by the committee of having witnesses examined and cross-examined by an attorney qualified to bring out the real facts, I am compelled to leave this witness to the superior wisdom and ability of the learned attorneys, members of this committee. That necessarily transfers it from me for a higher order of service.

The CHAIRMAN. Mr. Howard, have you any further questions?

Mr. HOWARD. No.

By Mr. STEVENS:

Q. Mr. Frost, have you had general charge of the affairs of your company in Washington for the past five or six years?—A. I have, sir.

Q. Both before Congress and the Navy Department?—A. I have, sir.

Q. And other Departments as may be necessary?—A. Yes, sir.

Q. What has been the policy of your company as to legislation before Congress; what have you sought to accomplish?—A. We have sought in, perhaps you might say, an educational way wherever we could give *any facts or information* as to the wares we had to sell.

Q. Your first desire was to sell your wares, was it not?—A. Yes, sir.

Q. And in order to accomplish that what was it necessary to do?—A. I always endeavored to meet every Member of Congress that I could, and if an opportunity offered to explain to him the merits of the wares we had to sell.

Q. Where did you endeavor to meet them?—A. I met them socially about Washington and wherever I happened to meet them.

Q. Did you provide dinners for their entertainment and meet them in that way?—A. No, sir.

Q. Did you provide any entertainments at theaters and other places and endeavor to meet them in that way?—A. No, sir.

Q. Did you take them on various trips and excursions and things of that kind and meet them in that way?—A. One excursion that I have not testified to here yet was a couple of trips that we made down to Annapolis.

Q. What were they, when were they, and where?—A. I do not remember, but we had a couple of carloads.

Q. What did you go for?—A. To see the operations of the *Holland*, which then belonged to the Government.

Q. And it was an invitation to quite a large number of Members of Congress?—A. I should say 75 or 100 at each trip, and I met a great many men during those various trips.

Q. How long did that take?—A. Left about 10 in the morning and came back at 6 or 7 in the evening.

Q. When was that?—A. I am trying to think, sir. I think in 1901.

Q. Have you not done any of these things in the last few years?—A. No, sir.

Q. Who appears for your company before the various committees of Congress?—A. We have not been before any committees of Congress for a number of years.

Q. Before the board?—A. I have appeared when we appeared there; yes, sir.

Q. When did you appear?—A. My recollection is in 1904.

Q. Is that your last appearance that you recall?—A. Or 1905; I am not certain about that.

Q. Is that your last appearance that you recall?—A. The last I recall. A reference to our documents will tell that, sir.

Q. In what way have you sought to educate Congress or to have secured legislation that you thought would be of benefit since that time?—A. Simply by talking with anyone I happened to meet who are willing to talk on the subject.

Q. Did you seek to meet them at hotels?—A. No.

Q. Did you invite them to your hotel?—A. No.

Q. Where did you make your headquarters?—A. In the New Willard.

Q. Did you invite them to the New Willard?—A. No; I have no recollection.

Q. Where would you meet them, then?—A. Well, you meet most everybody at the New Willard sooner or later.

Q. Did you stay there for the purpose of meeting them?—A. Oh, no; not for the purpose of meeting them. I always had departmental business in Washington, and I have very often come to Washington

for a vacation, to rest, and I have a great many friends and acquaintances other than Members of Congress in Washington.

Q. Did you keep informed and keep watch concerning the pending legislation then before the various committees that affected your interests?—A. I try to, but I do not think I keep informed.

Q. When estimates are being considered by the Naval Department or other Departments, or when items of appropriation are being considered by the various committees, in what way do you get your information?—A. By rumor merely.

Q. Do you not talk with the officials who have those things in charge?—A. No, sir.

Q. Do you not have your attorneys or agents talk with those officials who have those things in charge?—A. Not to my knowledge; no.

Q. Have you no method of getting more accurate information than that concerning what is going on?—A. I am sorry to say that I have not.

Q. When amendments were pending before the Committee on Naval Affairs of the House had you no information concerning what those amendments contained, with reference to submarines?—A. In what particular year, the present year?

Q. In the appropriation bill, for example, of 1907.—A. No; I do not even know what the bill is, except what I have read in the newspapers.

Q. Don't you know about the provisions of the bill of 1906 and 1907 with reference to tests?—A. Oh, 1906 and 1907, yes; because that is published, but the 1908 bill I do not even know the provisions of, except as I have seen them in the newspapers.

Q. We will come to that. Now, with reference to the tests in 1906 and 1907 bill; did you not know about those provisions while the matter was pending in committee?—A. I may have heard rumors of it. I had no intimate knowledge of it.

Q. Did you confer with any members of the committee with reference to what should be contained in those items?—A. No; I do not think I did. I have said generally, whenever I have had an opportunity, that the desire of our company was to have the freest and most open competition.

Q. Did you make any suggestions to any member of the Naval Committee for the naval bills of 1906 and 1907 with reference to the provisions of items concerning submarines?—A. I do not think I did.

Q. Was any provision inserted in either of those bills that would give the winner in those tests special and exclusive contract?—A. Do you refer to the House bill, sir?

Q. I refer to the naval bill of 1906 and 1907 under which those tests of last year were held.

Mr. OLMSTED. Do you mean the bill or act of Congress?

Q. Act of Congress.—A. The amendment of 1907 provided, or was supposed to have provided, that the winner was to have the appropriation.

Q. Did it not provide a kind of test?—A. The bill; yes, sir.

Q. Did your company approve the provision for the tests and the result of the contracts that were said to be awarded after the tests?—A. We considered it a very fair bill; yes, sir.

Q. Did not you and your company consider that the provisions of those bills in those acts of Congress of 1906 and 1907 give the Navy Department authority and direction to contract with the winner of those tests for the amount of money appropriated in those items?—A. That was our construction of the law; yes, sir.

Q. Did you seek in any way to have the law framed in that way so as to warrant that construction?—A. No, sir.

Q. Did you seek to confer with any member of the Committee on Naval Affairs of the House, so that the law should be so framed as to warrant that construction?—A. No, sir.

Q. After the tests were made in May, 1907, did you or your company apply for a number of submarines that should be provided by that appropriation?—A. We did.

Q. How many did you ask for?—A. I will have to change that answer, sir. The board of construction made a report to the Secretary of the Navy approving and adopting the report of the Marix board, which was the controlling board, and recommended unanimously that our company be given eight boats.

Q. The report of the trial board recommended that your company be given eight boats. Did you seek the contract for those eight boats?—A. We did, sir.

Q. Was ever any contract awarded to you for those eight boats?—A. We were given a contract for seven boats.

Q. When was that?—A. November, 1907.

Q. When was the report of that trial board filed?—A. Early in June, 1907.

Q. Between June, 1907, after that report was filed, and November, when the contract was awarded, did you seek to get the rest of that money for your submarines?—A. We did, sir.

Q. In what way did you seek that?—A. By arguments before the Secretary of the Navy, and entirely in that way.

Q. Who appeared before the Secretary of the Navy?—A. Mr. Spear appeared.

Q. Who else appeared for your company?—A. Mr. Gordon appeared and I appeared.

Q. What was the action of the Navy Department in that matter, so far as you know?—A. The action was that they would only give us seven boats, although the board on construction had unanimously recommended that we be given eight.

Q. How much was reserved from the appropriation over and above the seven boats for which you had a contract?—A. Seven hundred and eighty thousand dollars.

Q. What was done with that money, do you know?—A. Four hundred and fifty thousand dollars is reserved for a contract with a Lake boat—I think it is $450,000 that is reserved out of the $780,000 for the building of a Lake boat.

Q. When did it come to your knowledge that the Secretary of the Navy made such a reservation?—A. I think we did not know positively about it until the contract was executed.

Q. When was that?—A. I think some time in February, 1908.

Q. Did you know nothing about that reservation or attempted reservation before that?—A. Oh, in various conversations that we had with the Secretary he had said that we ought to be satisfied with seven boats.

Q. When was the first conversation with the Secretary in which he said that?—A. In June, 1907.

Q. Before or after the report of the trial board?—A. After.

Q. How long after?—A. I will have to correct my dates a little, if you will allow me. In June, 1907, the Secretary of the Navy stated to us that he could not formally award the contract for the entire eight boats to us, because a protest had been entered by the Lake company, and that as far as he remembered the principal point was that the *Octopus*, being a Government boat, was not entitled to enter the tests at all, and therefore we would not be entitled to any contracts under that appropriation.

Q. Who raised that point that the *Octopus* was a Government boat?—A. I understand the counsel for the Lake Company.

Q. In what way, do you know?—A. I believe by written statements, which I never saw.

Q. That protest was overruled to that extent by the Secretary of the Navy?—A. No; he said then that this protest having been made, although he could see nothing in the point that was made, that he considered it the point of wisdom to refer it to the highest law officer of the Government. This conversation took place in the presence of Mr. Spear and myself.

Q. Did the Secretary of the Navy indicate to you personally that he would refer that matter to the highest law officer of the Government?—A. Yes, sir.

Q. When did he indicate that?—A. The time that he left for his vacation.

Q. About when was that?—A. The latter part of June, sir; I do not remember exactly.

Q. Did the Secretary of the Navy indicate that this reference was of his own notion or the suggestion of others?—A. My impression, sir, was——

Q. What did he say?—A. Well, I can only tell you in substance, sir, that this protest had been made and that while he saw nothing in it whatever, that he considered it the part of wisdom to refer it to the Attorney-General for a decision.

Q. Then it was of his own motion, as you gathered it?—A. I should say of his own motion; yes, sir.

Q. And the matter did go to the Attorney-General?—A. Yes, sir.

Q. Did you appear, or cause anybody to appear, before the Attorney-General?—A. We filed a brief, sir.

Q. Who filed the brief for you?—A. I think the brief was prepared by ex-Senator Butler, by Mr. Gordon, and by Mr. Johnson.

Q. The opinion of the Attorney-General, as I recall, held that contracts might be awarded to any competitor or anybody under the provisions of the act of Congress of 1906 and 1907?—A. Yes, sir.

Q. And under that provision you have been awarded a contract for seven boats and the Lake Company for one?—A. Yes, sir.

Q. To that award did you offer any objection to the Secretary of the Navy—that is to say, did you offer any formal objection to the awarding of one to the Lake Company?—A. We talked with him from time to time and urged upon him, or rather tried to impress upon him, the unfairness of such a proceeding.

Q. Did you claim that the act of 1906 and 1907 was exclusive, so that he had no authority after the opinion of the Attorney-General?—

A. We claimed that even under the Attorney-General's opinion that the Lake Company was not entitled to any boat.

Q. In what way did you make your views known, by written brief or oral argument?—A. We sent various letters to him and also by oral argument.

Q. After that did you seek to have the legislation in the bill before the Naval Committee, then pending and which followed, made so that by its terms there should be no question about what should be the intent of Congress?—A. No, sir; I had not.

Q. Did you not conceive it for the interest of your company that the legislation should be plain, so that the test of 1907 should be the basis on which contracts should be awarded under the appropriations of 1908?—A. Why, I assumed, in view of the Secretary's recommendation that the boats should be of the same type as recommended as superior as the result of the Newport trials, that there would be no question as to that.

Q. Have you ever approached or argued with any member of the Committee on Naval Affairs of the present House urging the view that the appropriation should be so framed that the money that should be available under the bill now pending should be expended only for vessels of the type that won in the competition of 1907?—A. No, sir.

Q. Have you sought to have any legislation framed, directing your attorneys or yourself to frame any such legislation?—A. No, sir.

Q. To accomplish that purpose?—A. No, sir.

Q. Do you know of anybody in your interest who has attempted to frame legislation to accomplish that purpose?—A. I do not, sir.

Q. Have you ever sought, by favor or influence, directly or indirectly, to have legislation so framed as to make the tests of 1907 the sole basis of awarding contracts under the present bill?—A. No, sir.

The CHAIRMAN. Does any other member of the committee desire to ask any further questions of this witness?

By Mr. BROUSSARD:

Q. Mr. Frost, how many boats were advertised under the naval bill? How many boats were advertised under the appropriation of $3,000,000 contained in the bill of 1907?—A. I do not just understand that question, Mr. Broussard.

Q. Well, now, there were $3,000,000 appropriated in that bill for submarine boats?—A. Yes, sir.

Q. How many boats did the Navy Department advertise to be constructed under that appropriation of $3,000,000?—A. Seven, so far as we were concerned.

Q. Was that the number given in the advertisement?—A. Do I understand you to mean the advertisement for bids?

Q. Yes.—A. I do not think there was anything specified as to the number of boats in the bids that were put in.

Q. Did your company ever secure the promise of a contract from the Navy Department for more than seven boats under that appropriation?—A. We did not secure it, the board of construction unanimously recommended that we be given eight boats.

Q. How was the advertisement made under that ruling of the board?—A. I do not just quite understand you, Mr. Broussard.

Q. I understand that these boats are advertised by the Navy Department upon the recommendation of the board of construction; is that correct?—A. No, sir.

Q. How are they advertised?—A. The Department in April——

Q. Of last year?—A. Last year, issued a circular asking everyone to put in their bids for submarine boats.

Q. Without giving the number at all?—A. Without giving the number at all, sir. These were to be put in by each of the competing companies prior to the beginning of the tests, their prices, and so on, the evident object of it being that no winning company could, after they had won, raise their price or anything of that kind, and those bids were put in by our company, and I presume they were put in by the competing company—in fact, it was published that they were—and the next information that we had about the matter was the unanimous report of the board of construction approving the trial board's report, and recommending that we receive a contract for eight boats.

Q. Now, did you get the contract for the eight boats?—A. No, sir. In June, after this report was made, I think that I am not misstating it in saying that the Secretary publicly stated that he proposed to give a contract for eight boats to the Electric Boat Company.

Q. The Secretary of the Navy publicly stated?—A. It was published in all the papers and was evidently authentic.

Q. Well, now, what happened to keep you from getting the eight boats after this statement had been made?—A. That is a very hard question; we have been trying to find out what did happen.

Q. What occurred within your knowledge that kept you from getting the eight boats, as it had been given out that your company would get the eight boats? What occurred at the Navy Department that prevented you receiving the contract for the eight boats, as it had been given out that you were getting the eight boats?—A. I presume that there was some influence there.

Q. Do you know of any influence?—A. I personally do not know of any influences.

Q. Have you heard of any?—A. Oh, I have heard rumors; yes, sir.

Q. What rumors did you hear with reference to that particular matter?—A. I have heard that the Lake people protested against our getting the contract and insisted that they should have a contract. I have heard that the Connecticut delegation had requested——

Q. What do you mean by the Connecticut delegation?—A. Its Senators and Members of Congress. But I say that is rumor.

Q. I am asking you about rumors. Senators and Members of Congress from that State?—A. I have heard that; yes, sir.

Q. The result of the entire matter was that your company got a contract for seven boats?—A. Yes, sir.

Q. And not for eight. Who got the contract for the other boat, or has it been contracted for?—A. I have never seen the executed contract. I have seen the printed contract with the Lake Company for a boat for $450,000.

Q. Do you know whether or not the Lake Company is constructing a boat under the contract which you say you have seen printed?—A. I do not, sir

Q. Your company never was given a contract for more than seven boats under the appropriation of 1907?—A. That is all.

The CHAIRMAN. Are there any further questions to be submitted by members of the committee? Are there any further questions to be submitted by any Member of the House of Representatives?

Mr. STEVENS. Mr. Lilley has three questions, Mr. Chairman.

The CHAIRMAN. Read them.

Q. Mr. Lilley submits these questions: Have you ever entertained any Members of Congress at the New Willard Hotel or elsewhere?—A. Oh, I may have.

Q. Well, now, when and where?—A. I do not just recall.

Q. In what way have you entertained them?—A. Never at my company's expense at all. As far as that is concerned I have my personal income independent of anything I get from the company and I have made friends here in Washington of years' standing.

Q. Was it a matter of business; did you talk business or was it entirely social?—A. Purely social, sir.

Q. It had no reference whatever to any legislation or to your affairs?—A. No, sir. I may add that I have been entertained by Members of Congress and have never considered that it was anything corrupt to ask a Member of Congress to lunch or to dinner.

Q. Did Marion Butler draw a motion to be offered in the House Naval Committee this year and submit it to you?—A. He may have.

Q. Do you not recollect whether he did or not?—A. I am not certain about it. It is barely possible he may have.

Q. Would you not recall it if he did?—A. I probably would recall it if he did.

Q. Well, now, did he not? Do you not remember of his submitting any memorandum of proposed legislation to you?—A. I have an impression that he did, but it evidently did not make much impression upon my mind. I do not remember it.

Q. Can you recall when and where it was done?—A. If done at all, it was done in his office.

Q. Where is that?—A. In the Bond Building.

Q. When was this?—A. I do not recall, sir, the slightest recollection about it.

Q. Was it before or after the holiday recess?—A. I have not the slightest recollection, sir, on the subject.

Q. Did he bring this to your attention, or did you go to him and call his attention to the matter?—A. I do not recall that, sir.

Q. In what way did he do this?—A. I do not even know that he did it. As I say, I am very hazy so far as my recollection is concerned on that.

Q. What recollection have you as to the subject-matter of any proposition that might have been advanced?—A. I have no recollection whatever of it.

Q. What was done, or what did you do?—A. I suppose if I took it, that I read it over and it went in a mass of papers with other things.

Q. Did you approve or disapprove the draft?—A. I do not recall, sir, whether I approved or disapproved, and I do not recall whether he drew one.

Q. Did you give any directions concerning it?—A. I have no recollection of any such thing.

Q. Did you give any direction to anybody else concerning it?—A. No recollection of any such thing, sir.

Q. Have you heard of it subsequently?—A. Well, I do not remember, sir, that he drew anything, and I do not remember its contents, and naturally I do not remember of ever hearing anything about it under those circumstances.

Q. You have read in the newspapers and read in the reports of the committee the pending amendment to the appropriation bill with reference to submarines; does that draft that Senator Butler submitted to you in any wise resemble the draft that was before the Naval Committee with reference to submarines?—A. As I have said, I do not recall the draft that Senator Butler made, if he made any draft of a bill. I never made any use of it; that I am able to swear to.

Q. Do you know whether he made any use of it?—A. I assume he did not.

Q. Do you know whether anybody for your company ever made any use of it?—A. I could say no, they did not make any use of it.

Q. Do you know whether any member of the Naval Committee made any use of it?—A. No, sir.

The CHAIRMAN. Does any member of the committee desire to ask any further questions of this witness? Is there any Member of the House of Representatives present who desires to ask any questions of this witness? Is there anyone else here in person or by counsel who desires to propound any interrogatories to this witness?

I will ask the witness whether he can hold himself in readiness here during the next few days?

The WITNESS. I will, sir. I will be at your command.

The CHAIRMAN. Any other questions that may be submitted to be propounded to this witness may be submitted hereafter or to other witnesses more competent to elicit the facts.

[House Report No. 3482, Fifty-seventh Congress, second session.]

BRIBERY CHARGES.

FEBRUARY 3, 1903.—Referred to the House Calendar and ordered to be printed.

Mr. TAYLER, of Ohio, from the Committee on Naval Affairs, submitted the following

REPORT.

[In compliance with H. Res. 404.]

The Committee on Naval Affairs, in compliance with the following resolution, beg leave to submit the following report:

"Whereas information has come to the Committee on Naval Affairs through a member of said committee of an attempt to corruptly influence his action respecting proposed legislation pending before said committee and the House:

"*Resolved*, That the Committee on Naval Affairs, or such subcommittee thereof as said committee may appoint, be, and is hereby, authorized and directed to fully investigate said matter; and for such purpose it is hereby authorized and empowered to send for persons and papers, to compel the attendance of witnesses, and to administer oaths. Said committee shall have authority to report at any time, and the expenses incurred hereunder shall be paid out of the contingent fund of the House on vouchers approved by the chairman."

At a meeting of the Committee on Naval Affairs, held January 20, 1903, during the consideration of the naval appropriation bill, Mr. Lessler, a member of the committee, charged that he had been corruptly approached for the purpose of influencing his action respecting proposed legislation providing for the purchase of Holland submarine torpedo boats.

The committee immediately appointed a subcommittee to make a preliminary investigation of Mr. Lessler's charge. The following day Philip Doblin, of New York, appeared before the subcommittee and confessed that he had so approached Mr. Lessler.

The substance of this statement having been reported the following day to the full committee, the chairman was directed to present to the House and procure the adoption of the resolution above set out.

In compliance with the direction and authority of said resolution your committee proceeded at once to take testimony, and examine such witnesses as were believed to have knowledge of the subject of inquiry. That testimony is set out in full in the appendix to this report, and in view of the fact that your committee in this report makes an explicit finding of its conclusions it becomes unnecessary to quote from or to comment upon the evidence.

Mr. Lessler, in his testimony before the committee, stated that Philip Doblin had come to him some weeks ago and had said that Mr. Lemuel E. Quigg had said to him (Doblin) that there was $5,000 in it if Lessler could be brought to support the proposition to buy more Holland boats.

This statement, in substance, Doblin corroborated when he first testified before the full committee, stating that Mr. Quigg had stated to him that if Lessler could be brought to vote for more Holland boats "there would be $5,000 in it," and that he (Quigg) added, "I think I can make it a thousand for you."

Subsequently Doblin again went on the stand and retracted this statement, declaring that Mr. Quigg had never suggested money to him, and that he (Doblin) had not told Lessler that Quigg had made such a proposal to him, and that he had made his first statements at the request of Lessler and for his protection.

Section 5450, Revised Statutes of the United States, provides that—

"Every person who promises, offers, gives, or causes or procures to be promised, offered, or given, any money or other thing of value, or makes or tenders any contract, undertaking, obligation, gratuity, or security for the payment of money, or for the delivery or conveyance of anything of value, to any member of either House of Congress, either before or after such member has been qualified or has taken his seat, with the intent to influence his vote or decision on any question, matter, cause, or proceeding which may be at any time pending in either House of Congress, or before any committee thereof, shall be fined not more than three times the amount of money or value of the thing so offered, promised, given, made, or tendered, or caused or procured to be so offered, promised, given, made, or tendered, and shall be, moreover, imprisoned not more than three years."

Section 5392 provides that—

"Every person who, having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath administered, that he will testify, declare, depose, or certify truly, or that any testimony, declaration, or certificate by him subscribed is true, willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true, is guilty of perjury, and shall be punished by a fine of not more than two thousand dollars, and by imprisonment, at hard labor, not more than five years; and shall, moreover, thereafter be incapable of giving testimony in any court of the United States until such time as the judgment against him is reversed."

A witness, sworn by the chairman, as in this case, who "states any material matter which he does not believe to be true," before a committee of the House conducting an investigation under authority of the House, commits perjury, and is liable to punishment therefor under section 5392.

Your committee has most carefully heard and considered the testimony taken before it, and upon the same has come to the following conclusions:

1. That the charge made by Mr. Lessler that an attempt had been made to corruptly influence his action respecting proposed legislation is sustained by the evidence; such attempt, in the opinion of the committee, having been made by one Philip Doblin, on his own initiative and responsibility, with the idea of making money for himself if he should find Mr. Lessler corruptly approachable.

2. That there is no evidence to sustain the charge of an attempt by Lemuel E. Quigg to corruptly influence a member of the Committee on Naval Affairs respecting proposed legislation pending before said committee and the House.

3. That there is no evidence to sustain the charge of an attempt by the Holland Submarine Boat Company or any of its agents to corruptly influence a member of the Committee on Naval Affairs respecting proposed legislation before said committee and the House.

In view of the foregoing we recommend that the clerk of the committee be directed to certify to the Attorney-General of the United States a copy of the testimony taken at the hearing, with a request that he take such action as the law and the facts warrant.

[House Report 3482, part 2, Fifty-seventh Congress, second session.]

BRIBERY CHARGES.

FEBRUARY 3, 1903.—Referred to the House Calendar and ordered to be printed.

Mr. WILLIAM W. KITCHIN, from the Committee on Naval Affairs, submitted the following as the

VIEWS OF THE MINORITY.

[In compliance with H. Res. 404.]

Being unable, from the evidence, to agree with all the conclusions of the majority of the Committee on Naval Affairs touching the matters investigated by that committee under House resolution 404, and having considered all the testimony taken and printed, we are of the opinion that the following views should be adopted, and therefore propose them as a substitute for the report offered by the majority of the committee, to wit:

On the 20th day of January, 1903, Hon. Montague Lessler stated to the Committee on Naval Affairs, while that committee was considering the proposition to secure more Holland submarine boats for the Navy, that these people (meaning the Holland Submarine Boat Company) had, through an ex-Congressman, who used an intermediary, offered him, said Lessler, $5,000 for his support of such a proposition. Thereafter, to a subcommittee, he gave the name of Lemuel E. Quigg as the ex-Congressman and Philip Doblin as the intermediary referred to by him.

As a result of such statement and an investigation by said subcommittee, the Committee on Naval Affairs directed its chairman to report to the House the following preamble and resolution, to wit:

"Whereas information has come to the Committee on Naval Affairs, through a member of said committee, of an attempt to corruptly influence action respecting proposed legislation pending before said committee and the House:

"*Resolved*, That the Committee on Naval Affairs, or such subcommittee thereof as said committee may appoint, be, and it is hereby, authorized and directed to fully investigate said matter; and for such purpose it is hereby authorized and empowered to send for persons and papers, to compel the attendance of witnesses, and to administer oaths. Said committee shall have authority to report at any time, and the expenses incurred hereunder shall be paid out of the contingent fund of the House on vouchers approved by the chairman."

Which resolution was unanimously adopted by the House on January 22, 1903.

Under said resolution the Committee on Naval Affairs has investigated the matter aforesaid by exmining a number of witnesses, the testimony being taken by an official stenographer and printed, and upon due consideration thereof we find:

First. That the charge that an attempt was made to corruptly influence a member of the Committee on Naval Affairs respecting proposed legislation pending before the committee and the House is not sustained.

Second. That there is no evidence to sustain the charge of an attempt by Lemuel E. Quigg to corruptly influence a member of the Committee on Naval Affairs respecting proposed legislation pending before said committee and the House.

Third. That there is no evidence to sustain the charge of an attempt by the Holland Submarine Boat Company, or any of its agents, to corruptly

influence a member of the Committee on Naval Affairs respecting proposed legislation pending before the committee and the House.

In view of the foregoing, we recommend that the clerk of the committee be directed to certify to the Attorney-General of the United States a copy of the testimony taken at the hearing, with a request that he take such action as the law and the facts warrant.

W. W. KITCHIN.
W. D. VANDIVER.
ERNEST W. ROBERTS.

HEARING BEFORE COMMITTEE ON NAVAL AFFAIRS, HOUSE OF REPRESENTATIVES, ON A RESOLUTION SUBMITTED BY MR. FOSS, NO. 404, JANUARY 22, 1903.

COMMITTEE ON NAVAL AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 23, 1903.

The committee met at 10.30 o'clock a. m., Hon. George Edmund Foss in the chair.

The CHAIRMAN. We are met together to-day, gentlemen in pursuance of a resolution adopted by the House yesterday, which I will read:

"Whereas information has come to the Committee on Naval Affairs, through a member of said committee, of an attempt to corruptly influence his action respecting proposed legislation pending before said committee and the House.

"*Resolved*, That the Committee on Naval Affairs, or such subcommittee thereof as said committee may appoint, be, and it is hereby, authorized and directed to fully investigate said matter; and for such purpose it is hereby authorized and empowered to send for persons and papers, to compel the attendance of witnesses, and to administer oaths. Said committee shall have authority to report at any time, and the expenses incurred hereunder shall be paid out of the contingent fund of the House on vouchers approved by the chairman."

That is the resolution in pursuance of which we are met here to-day. The first evidence before the committee will be that of Mr. Lessler, who is the member of the committee referred to in that resolution, and I will ask Mr. Taylor to act for the committee in interrogating Mr. Lessler.

TESTIMONY OF HON. MONTAGUE LESSLER.

Hon. MONTAGUE LESSLER was sworn and examined.

Mr. TAYLOR. When were you elected a member of the Fifty-seventh Congress?

Mr. LESSLER. The 3d of January, 1902.

Mr. TAYLOR. When did you take your seat?

Mr. LESSLER. The 15th of January.

Mr. TAYLOR. You are a member of the Committee on Naval Affairs of the House of Representatives?

Mr. LESSLER. I am.

Mr. TAYLOR. When were you made a member of the committee?

Mr. LESSLER. The 15th of May, 1902.

Mr. TAYLOR. What has been your attitude respecting the proposition to build more Holland submarine boats?

Mr. LESSLER. I have been against it; against the proposition.

Mr. TAYLOR. What is Mr. Doblin's first name?

Mr. LESSLER. Philip.

Mr. TAYLOR. Who is Philip Doblin?

Mr. LESSLER. Philip Doblin is a young man in New York who for a month or so preceding my election, and part of the time during 1902, looked after political affairs in the district during election and subsequent to it.

Mr. TAYLOR. That is in your district?

Mr. LESSLER. Yes, sir.

Mr. TAYLOR. Was he about your office, or had he a desk in your office in New York?

Mr. LESSLER. No, he had no desk, but he was about there every day, or every other day. Of course when I was here I do not know how often. I was in New York Saturdays; was the only time.

Mr. TAYLOR. Were you in the habit of going home each week to New York?

Mr. LESSLER. I have been in the habit of going home Friday or Saturday and coming back Sunday.

Mr. TAYLOR. And you saw him when you went home?

Mr. LESSLER. Sometimes.

Mr. TAYLOR. You had your Congressional secretary here in Washington with you?

Mr. LESSLER. Yes, sir.

Mr. TAYLOR. Had Mr. Doblin before your election to Congress been intimately your friend or politically——

Mr. LESSLER. I only knew him casually up to and about the time that I was nominated, on the 21st of December, 1906.

Mr. TAYLOR. He was, as you understood it, generally understood to be one of your closest political friends in your district?

Mr. LESSLER. He was not in the district.

Mr. TAYLOR. I mean respecting matters in your district.

Mr. LESSLER. He has been aiding my election throughout.

Mr. TAYLOR. Did you have a talk with him a month or two ago respecting the subject of Holland submarine boats?

Mr. LESSLER. Yes.

Mr. TAYLOR. About when was that?

Mr. LESSLER. My recollection is that it was between the election in November and the opening of the session on the first of December; somewhere within that period—in November.

Mr. TAYLOR. And where was that conversation?

Mr. LESSLER. In my office, No. 31 Nassau street, New York City.

Mr. TAYLOR. Tell us, if you please, how this conversation arose.

Mr. LESSLER. He came in one morning and he asked me if the Holland submarine boat proposition was before the House, would come again before the House, and I said that I supposed so. He said: "Are you still opposed to it?" I said, "Yes." He then said that he had been sent for by Mr. Quigg, and that Quigg had said to him that there was $5,000 in it if I could be brought to the other side. My recollection is that I simply laughed at it, and told him that I did not want to hear anything more about it. That is all there was said on that proposition.

Mr. TAYLOR. You think you have told us all he said?

Mr. LESSLER. I would add this, that he said that Quigg was a man of power and influence in New York, and that of course, if subsequently I wanted to come back here, in aiding him I would aid myself in such a proposition in doing him such a favor.

Mr. TAYLOR. Did he tell you where he had this conversation with Mr. Quigg?

Mr. LESSLER. Yes; 100 Broadway; in Quigg's office. That is all that was said.

Mr. TAYLOR. Did you later see Mr. Quigg in connection with this Holland boat business?

Mr. LESSLER. Mr. Quigg telephoned me one morning later.

Mr. TAYLOR. When, about?

Mr. LESSLER. It was my impression that it was prior to the opening of the session, on the first of December, but it may have been between the Christmas recess.

Mr. TAYLOR. Tell us how did that conversation come about.

Mr. LESSLER. He asked me if I could see him and if he could come over; and I told him to come right over and he came over to my office No. 31 Nassau street within an hour; about the middle of the day.

Mr. TAYLOR. Tell us what occurred there.

Mr. LESSLER. We passed the amenities, and I said to him at once that there should be no question of money in this business; that I——

Mr. TAYLOR. Had anything been said about Holland submarine boats before you made that observation?

Mr. LESSLER. No, no.

Mr. TAYLOR. Well——

Mr. LESSLER (continuing). I said at once that there should be no question of money in this business.

Mr. TAYLOR. What business?

Mr. LESSLER. The Holland submarine boat. I knew his specific errand.

Mr. TAYLOR. Had there been any conversation over the telephone about the Holland submarine boats?

Mr. LESSLER. He simply wanted to see me.

Mr. TAYLOR. You inferred at once that it was about that that he wanted to see you?

Mr. LESSLER. I had no business or anything else with Mr. Quigg in any way.

Mr. TAYLOR. Tell us what occurred.

Mr. LESSLER. I started right in in that way and said that there must not be any question of money in this business.

Mr. TAYLOR. What reply did he make?

Mr. LESSLER. He stood silent. He did not say anything; and I explained to him at quite some length my reason for my opposition to these boats, going into the history of their construction, and what they were, and describing the whole business—the technique—so fas as I knew it. He asked questions along the line of what they were for, and how many the Government had, and purely naval details.

Mr. TAYLOR. Did he say anything about how his interest in this matter arose?

Mr. LESSLER. He got up and said: "I see that you are opposed to this proposition, and have evidently looked into it. I have no interest in it." My recollection is that he also spoke about Mr. Rice, president of the Holland Torpedo Boat Company. What he said I don't remember. He said he had absolutely no interest in the boat or the company, but said that a man by the name of Hunter, my recollection is, had done him some favor, and had asked him to see me and look into it, or see me about it. That ended the conversation, and he went out.

Mr. TAYLOR. Did he further identify Mr. Hunter by stating who he was?

Mr. LESSLER. My recollection is that he said, "Mr. Hunter, of Virginia," but I am not certain about the "Virginia."

Mr. TAYLOR. Have you told us all, now, that transpired?

Mr. LESSLER. Absolutely every word, except the detail conversation, which was perhaps an hour long.

Mr. TAYLOR. Did you have a conversation with Mr. John McCullagh?

Mr. LESSLER. Yes, sir; in Washington.

Mr. TAYLOR. At the last session of Congress?

Mr. LESSLER. Yes, sir; in Washington.

Mr. TAYLOR. In Washington?

Mr. LESSLER. Yes, sir.

Mr. TAYLOR. Where did that conversation occur?

Mr. LESSLER. In my room.

Mr. ROBERTS. Is that within the scope of this inquiry?

Mr. LESSLER. Yes.

Mr. TAYLOR. State what that conversation was.

Mr. LESSLER. I had received a telegram while I was in Cincinnati, and Mr. McCullagh, who was the superintendent of State elections in New York, desired to see me, and that was wired to me by my secretary to Cincinnati, I think, sometime in the latter part of April or the beginning of May; my papers are in New York.

Mr. TAYLOR. Was that after you became a member of the Naval Affairs Committee?

Mr. LESSLER. Yes, sir; it was right after.

Mr. TAYLOR. You succeeded Mr. Cummings as a member of this committee?

Mr. LESSLER. Yes, sir; I succeeded Mr. Cummings, and I wrote Mr. McCullagh that I would be very glad to see him at my office when I got home Saturday, and I received a note from him stating that the subject-matter which he wanted to speak to me about had passed.

After we passed the naval bill, and while it was pending in the Senate, I went to Atlantic City over Friday, Saturday, and Sunday, and I received a wire saying that John McCullagh wanted to see me. I did not get back until Monday night on that 8 o'clock train from Atlantic City. About 9 o'clock Mr. McCullagh came to my room and said that he was glad to meet me, and we had not met before.

Mr. TAYLOR. You mean by that that you had had no personal acquaintance with him before that time?

Mr. LESSLER. I had met him, but he did not know me.

Mr. TAYLOR. State what his official position there was.

Mr. LESSLER. He was State superintendent of elections. I said then that I was glad to meet him, and he sat down. He said that he had come over on the Baltimore and Ohio train; that he was stopping down at the Willard, and had waited over for me. His exact wording of this was this: That he had been sent by men in New York who could reelect me or beat me, to ask me to vote for the Holland submarine boat. The situation then was, regarding the bill, that it had come out of the Senate, and I think the conversation took place on the Monday night preceding the first meeting of the committee, when we con-

sidered the Senate bill after it had gone through that body. He said: "I have been sent by some men in New York, who can reelect you or beat you, to ask you to vote for the Holland submarine boat." I said to him, "I will see them in hell first." He then said, "Well, do it for me;" but I said, "No, chief; I can not do it," and I remember very distinctly the simile that I drew in explaining to him the whole proposition. I put it this way to him: "Suppose the governor of the State of New York should ask the last subordinate that came into your bureau his opinion about running the bureau. You would think that the governor was foolish. So that my judgment is simply following the men in the Navy who are running the affair of the Navy." I remember getting down the books that I had on the subject, and explaining to him in detail, so far as I could, what I knew about the boat, and he left me about 10 o'clock in the evening. He said to me, "Congressman, I am sorry that I came; I did not understand the situation." That was the end of that whole conversation. I have never spoken to him since on the subject.

Mr. TAYLOR. This time, if you are correct, is the time the House had passed the bill without the provisions for the Holland submarine boats and the Senate had put it in; is that correct?

Mr. LESSLER. That is correct.

Mr. TAYLOR. The House was considering whether it would agree to the Senate amendment.

Mr. LESSLER. No; it was going to consider it in a day or two, and I think we held a meeting the next morning. I think if the clerk will look up the meeting after that bill came back, it will fix it absolutely.

Mr. TAYLOR. Does anything else occur to you with reference to these interviews?

Mr. LESSLER. No; I have told you all that I remember, without going absolutely into everything, pro and con, that was said on the subject.

Mr. TAYLOR. On the subject of the propriety of building these boats?

Mr. LESSLER. Yes; Mr. Quigg and Mr. McCullagh had no statement to make on the subject of the propriety of building them.

Mr. TAYLOR. Mr. Chairman, I think that is all that occurs to me.

Mr. RIXEY. Mr. Chairman, I wish to suggest a question for Mr. Taylor to ask.

The CHAIRMAN. Very well. Suggest the question to Mr. Taylor.

Mr. TAYLOR. At the time Mr. McCullagh had this conversation with you what position did Mr. Doblin hold in New York?

Mr. LESSLER. None, I think.

Mr. TAYLOR. That is correct, I believe.

Mr. LESSLER. He has now, not at the time he made this proposition.

Mr. RIXEY. I say at the time he made the statement with regard to Quigg.

Mr. TAYLOR. What position does Mr. Doblin hold now?

Mr. LESSLER. I don't know that he holds any. I don't know that he holds any now.

Mr. TATE. Do you know whether Mr. Doblin had any position under John McCullagh at the time when he told you that Quigg had sent him to you?

Mr. LESSLER. He had a position in the Bureau as an outside man. Chief McCullagh has a number of deputies, and he was one during the preceding election. I do not know whether he was one at that time. They discharged them, you know, after election. I don't know whether he was discharged. I don't know.

Mr. TAYLOR. Now, Mr. Lessler, I am requested to press you with an inquiry upon this point.

Mr. LESSLER. Yes, sir.

Mr. TAYLOR. As to how you came to say to Mr. Quigg when he came there that there was no money in this matter, as to whether you merely inferred that was the subject that he came to talk upon, or whether the subject of the Holland torpedo boats was mentioned by him before you made that remark?

Mr. LESSLER. I don't recollect whether he mentioned the subject. He had nothing else to talk to me about. He had, as Mr. Doblin says, sent Mr. Doblin to sound me. I don't remember just how the conversation was introduced other than that fact; but I want to be very frank with you and say that Mr. Quigg had no other business with me, or any business with me, or any relations with me, that I know of, to induce him to visit my office.

Mr. TAYLOR. And there was no other subject of conversation actually taken up after you commenced talking except the Holland submarine-boat subject, I mean, seriously discussed?

Mr. LESSLER. No; nothing else.

Mr. RIXEY. Now I would like to suggest to Mr. Taylor to ask the witness this question: When he stated to Mr. Quigg that he did not want to consider any money proposition, what reply did Mr. Quigg make?

Mr. TAYLOR. I asked him that question.

Mr. RIXEY. I didn't remember that you did.

Mr. TAYLOR. I asked Mr. Lessler that question, to which he replied that he said nothing.

Mr. RIXEY. Did Mr. Quigg express surprise that you should make a remark of that sort, that you should meet him in that way?

Mr. LESSLER. None.

Mr. RIXEY. Did he say anything that would indicate that he came on other business?

Mr. LESSLER. Not at all.

Mr. ROBERTS. I would like to suggest a few questions to Mr. Taylor.

I would like Mr. Taylor to ask Mr. Lessler if this man Doblin now gets his mail through Mr. Lessler's business office, or if he ever has gotten his mail there?

Mr. TAYLOR. Does Doblin now get his mail through your business office?

Mr. LESSLER. I don't know whether he does or not; he has.

Mr. ROBERTS. Was he getting his mail through your office at the time he made this proposal to you—the alleged proposal?

Mr. TAYLOR. Was Mr. Doblin getting his mail at or through your office at the time he carried this proposition to you?

Mr. LESSLER. I don't believe he had very much mail to get, but it is quite possible he got his mail there. During the year when he had no office he came down there frequently to get whatever mail was there. I never saw him and I am unable to say; but he had the freedom of the office.

Mr. TAYLOR. Did he have the use of a desk in your office at any time?

Mr. LESSLER. He has had no separate desk. My desk has been there, and he may have written a letter at it. I never saw him sit at it.

Mr. ROBERTS. You have stated that he was a political friend, and I would like to ask if he has at any time been a personal and business friend?

Mr. TAYLOR. Has he been a personal or business friend of yours?

Mr. LESSLER. The relation arose just as I told you. When I was nominated on the 21st of December, 1901, he was then connected with the Republican county committee of New York, and had been since Mr. Quigg was chairman of it. That is my first recollection of him. He was ardent, faithful, helpful in every way, and I felt under great obligation to him for his assistance to me during the campaign, and where I could have assisted him at any time I would have assisted him. He had been at my house—if the purport of the question is that—maybe five or six or seven times. He was on to Washington when I was sworn in here. I think I procured for him some little receiverships in the courts under the bankruptcy law, and, now I mention it, I think that was the main business, the letters that came from the referee in bankruptcy, or from the mail of the house for which he was receiver, which was repost marked and sent to the office. Otherwise I know of no mail. I have seen some of that mail around.

Mr. TAYLOR. Have you visited at his house?

Mr. LESSLER. Never, in any way.

Mr. ROBERTS. Was anybody else present in your office when Mr. Doblin made this proposition to you?

Mr. TAYLOR. Answer the question. Was anyone else present when Doblin carried this proposition to you?

Mr. LESSLER. No.

Mr. ROBERTS. I understand you to say that when he came to you with the proposition his opening remark was, "Are you still opposed to the Holland submarine boats?" Will Mr. Taylor ask him if that is correct?

Mr. TAYLOR. When he came to you, are we correct in understanding that his first statement was, "I understand you are still opposed to those Holland submarine boats?"

Mr. LESSLER. No; I made no statement justifying the chronology of remarks and exact statements that occurred back in November; the man's statement was introduced in that way; whether I was opposed to the Holland submarine boats. In some such way the conversation was opened. Whether it opened with that exact phrase, I do not remember.

Mr. ROBERTS. Now, I would like to ask if I am correct in my understanding of the testimony, that prior to this day, when the alleged bribe was offered, that there had been no conversation with Mr. Doblin respecting the submarine boats.

Mr. TAYLOR. Had you had any conversation with Doblin respecting the Holland submarine torpedo boats prior to this proposition made by him to you?

Mr. LESSLER. I may have talked to him as I have spoken to others, of the general proposition of what the boat is; but I recall no conversation on the proposition.

Mr. ROBERTS. Had you ever expressed to him that you were opposed to the boats, prior to this?

Mr. LESSLER. I may have.

Mr. ROBERTS. You are not positive about it?

Mr. LESSLER. I don't remember that. I am not positive that I have not expressed my opposition to the Holland boat to this particular man.

Mr. ROBERTS. Did you know anything about Mr. Doblin's reputation, or know of his being employed as a lobbyist at any time?

Mr. TAYLER. Answer the question. Had you any knowledge of Mr. Doblin's being employed as a lobbyist prior to that time?

Mr. LESSLER. I only know of one incident; that is all I know of.

Mr. ROBERTS. Do you know whether or not he was charged on the floor of the aldermanic chamber with being a lobbyist, and ordered off the floor during a session of the board of aldermen?

Mr. WHEELER. I do not see the relevancy of that.

Mr. ROBERTS. I think it is perfectly fair to know how much Mr. Lessler knew of this man and of his reputation and of those charges.

Mr. LESSLER. I think his question was perfectly fair.

Mr. WHEELER. Wait a moment, Mr. Lessler. You are a witness now.

Mr. DAYTON. I suggest in connection with that that Mr Roberts is asking him now about individual matters instead of general reputation, which is never allow in a court of justice.

Mr. ROBERTS. I am perfectly satisfied, if it is ruled out on a legal technicality, that it should go out.

The CHAIRMAN. I think that it would come more properly later in the investigation.

Mr. TATE. Ask him his source of information about that, and we can tell more about it.

Mr. LESSLER. Gentlemen, I prefer to answer that question if you will allow me to do so.

Mr. TAYLOR. Very well. Go on and answer the question.

The question was repeated by the stenographer, as follows:

"Do you know whether or not he was charged on the floor of the aldermanic chamber with being a lobbyist, and ordered off the floor during a session of the board of aldermen?"

Mr. LESSLER. The only thing I know about that is seeing a little squib in the newspaper. It seemed that he was in a telephone booth, telephoning to somebody, and some alderman came along and ordered him out of the booth. That is all I heard of it.

Mr. ROBERTS. You have no knowledge of the fact that an alderman charged him with being a lobbyist in the employ of certain corporations, and that he was ordered off the floor of the chamber on that ground?

Mr. TAYLOR (to the witness). Answer the question.

Mr. LESSLER. I have no knowledge of his being a lobbyist at any time, and I do not believe he has been.

The CHAIRMAN. Are there any further questions?

Mr. RIXEY. State the political and business relations, so far as you know them, between John McCullagh and Mr. Quigg.

Mr. LESSLER. Mr. Quigg has been chairman of the county committee of New York, and is, I believe, one of its members, and Mr. McCullagh was the former superintendent of elections, and became, when this law went into effect, the State superintendent of elections. I don't know of any other political relations any more than that in point of time. I think Mr. Quigg was the chairman of the county committee and a member of the State committee, and probably was one of those who visited or indorsed the appointment of McCullagh. I don't know of any other relations than those.

Mr. WHEELER. Is Mr. Quigg an ex-Member of Congress?

Mr. LESSLER. Mr. Quigg was an ex-Member of Congress; yes, sir.

Mr. MUDD. Will Mr. Taylor please ask him whether anyone was present at the time Mr. Quigg called at his office?

Mr. TAYLOR. I was about to ask him that question.

Mr. LESSLER. No one was in the room; no, sir.

Mr. BUTLER. Was anyone present in his office at the time Mr. McCullagh called?

Mr TAYLER. Answer that question. Was any one present at that time?

Mr. LESSLER. Yes, sir.

Mr. TAYLOR. Who?

Mr. LESSLER. My secretary, in Washington.

Mr. BUTLER. Please ask him the name of that secretary.

Mr. LESSLER. Frank P. Son.

Mr. TAYLOR. What is his address?

Mr. LESSLER. I can get him home on the telephone in a minute.

Mr. TAYLOR. What is his address?

Mr. LESSLER. I don't know. It is something on Twelfth street. I can get him on the telephone.

Mr. MEYER. I would like to ask this question: When Mr. Quigg called upon Mr. Lessler at his office, and after Mr. Lessler's statement to him that he did not wish to talk about money with reference to this mater, did Mr. Quigg continue the conversation in a manner to convince Mr. Lessler that that was the sole object of his visit?

Mr. ROBERTS (continuing). The question of the Holland torpedo boats and the money.

Mr. TAYLOR (to the witness). Answer the question; that if after this conversation of yours respecting the money, as General Meyer puts it, there was anything in what occurred to indicate that Mr. Quigg had any other business than to talk about the Holland torpedo boats?

Mr. MEYER (continuing). Did he continue the conversation in a natural strain on that subject?

Mr. TAYLOR. Did he continue the conversation in a natural strain in that direction?

Mr. LESSLER. My recollection is that there was conversation on political matters in the campaign, not affecting this subject at all, and that nothing else was mentioned except the boats.

Mr. WHEELER. I desire to propound an inquiry. While you are after refreshing your recollection, I will ask you if it is not true that at the time of the conversation between you and Doblin, when you say that he told you Mr. Quigg informed him that there was $5,000 in it for you, if he did not also say there was $1,000 in it for him?

Mr. LESSLER. No; I never knew of that. I never heard of that until—my recollection is that I did not know of that until you brought it out in committee from Doblin the other day.

Mr. WHEELER. He did not mention the compensation that he was to receive, in stating the proposition to you?

Mr. LESSLER. No, sir.

Mr. RIXEY. In the conversations that you had with Mr. McCullagh, did Mr. McCullagh state that Mr. Rice, the president of the company, was a friend of his?

Mr. LESSLER. No names were mentioned. I asked him directly if he would tell me who sent him, and he said no; that he would not tell me.

Mr. RIXEY. I am asking for information for myself on this line. You said that some one mentioned Mr. Rice, the president of the company.

Mr. LESSLER. Yes; I said Mr. Quigg had spoken of some controversy with Rice during our conversation, and my recollection is that the inference that I obtained was that he was not personally friendly to Rice.

Mr. TAYLOR. That was the way I understood Mr. Lessler to testify originally.

Mr. MUDD. I would like to ask, Mr. Lessler, if there was any statement as to how the money was to be paid, by check or otherwise; whether there was any such statement?

Mr. LESSLER. I have told you all the conversation. It did not take a minute and a half, that conversation.

Mr. MUDD. I would like to ask that question.

Mr. TAYLOR. Was anything said about a check or money or how was it to be paid? To that I understand your answer is no.

Mr. LESSLER. No. Mr. Chairman, one of the newspapers publishes the following, which I desire to put in the record, and to deny absolutely:

"A handsome young woman, to whose charms it was believed Mr. Lessler would fall a victim, was used in an effort to sway his vote in favor of submarine boats. She did not say that she was authorized to make him an offer, but she did urge him to use his best efforts toward purchasing Holland boats."

I want to say that no such statement was ever made by me; no such woman, handsome or otherwise, ever approached me, and I do not remember ever having a conversation with a woman on the subject, at any time, place, or in any manner. I want that to go in the record. The story is absolutely untrue in every shape, way, and form.

Mr. BUTLER. Will you please ask in what newspaper that appeared?

Mr. TAYLOR. Answer the question.

Mr. LESSLER. The New York Evening Sun of January 22, 1903.

Mr. BUTLER. Who is the correspondent of the New York Sun here in Washington?

The CHAIRMAN. I submit that this matter does not affect the question under consideration——

Mr. LESSLER. I submit that——

Mr. ROBERTS. It is a charge made publicly. I have no objection to its going in.

Mr. LESSLER. I want it to go in.

The CHAIRMAN. Denying newspaper reports?

Mr. LESSLER. I insist upon that going in.

Mr. BUTLER. I think that he should have it in, in justice to himself.

SEVERAL MEMBERS. Yes, yes.

Mr. ROBERTS. Will Mr. Taylor ask Mr. Lessler if he continued on the same terms with Mr. Doblin after he had made the offer of a bribe, that he was on before?

Mr. TAYLOR. Have you been on the same terms of intimacy with Mr. Doblin since this proposition as before?

Mr. LESSLER. Yes, sir, with the exception that I have not seen him as often as before. I have been away from the city.

Mr. VANDIVER. Bearing on that line of inquiry, at whose instance did Mr. Doblin appear before the committee yesterday or day before; was it at Mr. Lessler's suggestion?

Mr. TAYLOR. You may state at whose suggestion Mr. Doblin appeared before the subcommittee day before yesterday.

Mr. LESSLER. The subcommittee went into session and called me before them, and I told them the same story that I have told here, and they asked for the name of the intermediary, as you have called it, and asked me if I could get him here. I wired him that night, and he appeared the next day before the subcommittee.

Mr. VANDIVER. In response to your telegram?

Mr. LESSLER. In response to my telegram.

Mr. QUIGG. Mr. Chairman, I would like to have the permission of the committee to have Mr. Nicol, who is here at my request, interrogate Mr. Lessler.

The CHAIRMAN. Is there any objection? Mr. Quigg asks the permission of the committee to have Mr. Nicol interrogate Mr. Lessler. Mr. Nicol is the attorney for Mr. Quigg.

Mr. TAYLOR. I have no objection.

Mr. NICOL. I may ask one or two questions. Where did you first meet Doblin?

Mr. LESSLER. That is pretty hard to answer. He had been, for a number of years, around the county committee, and that is where I first met him, that I know of.

Mr. NICOL. You have been quite active in Republican politics in New York?

Mr. LESSLER. A part of the time, and only a part of the time. A part of the time I was out of politics.

Mr. NICOL. Do you mean to say that your acquaintance with Doblin has lasted so long that you do not recall exactly when and where you met him?

Mr. LESSLER. I was a member of the county committee of the city of New York, I think, during the year 1894, and he was connected with the committee as a clerk of some kind, or a member from, I think, the Twenty-eighth Assembly district. I do not know positively about that, but I never knew him well until the time I have indicated.

Mr. NICOL. Until the time you were first nominated for Congress?

Mr. LESSLER. Yes.

Mr. NICOL. Did you up to that time have any business or social relations with him?

Mr. LESSLER. No; not at all.

Mr. NICOL. Your acquaintance continued just as a political and friendly acquaintance?

Mr. LESSLER. I do not think I saw him for a number of years.

Mr. NICOL. Your friendship for him grew up in that campaign by reason of his efforts in your behalf?

Mr. LESSLER. Mr. Nicol, you heard me tell all that.

Mr. NICOL. Yes; but I just want to go over it.

Mr. LESSLER. You must not go over it too much.

Mr. NICOL. Have you any objection to my going over it?

Mr. LESSLER. If I have I will tell you.

Mr. NICOL. When did you form this office connection with him?

Mr. LESSLER. I had no office connection with him.

Mr. NICOL. His headquarters have been at your office?

Mr. LESSLER. That is not quite accurately stated.

Mr. NICOL. What is an accurate statement?

Mr. LESSLER. An accurate statement is that he had the run of the office. He came in and he came out, and whatever little mail he had, for a time, he got there.

Mr. NICOL. Had he any other office but yours, so far as you know?

Mr. LESSLER. During the time he was with the county committee and during the time or times he was with the State superintendent of elections, as I have said before.

Mr. NICOL. I understood you to say that you had procured him some employment as receiver in bankruptcy, which gave him some business, and which he had to have an office for?

Mr. LESSLER. That is about the fact. I think he stated that when he received that employment I was here in Washington.

Mr. NICOL. That would necessitate his having an office for his business as receiver in bankruptcy proceedings?

Mr. LESSLER. Yes; that is about right.

Mr. NICOL. Did he come to visit you here in Washington during the year?

Mr. LESSLER. Never.

Mr. NICOL. So that you only saw him during your trip back, when Congress was in session?

Mr. LESSLER. As I have already stated.

Mr. NICOL. Take, for instance, the month of November, which was prior to the assembling of Congress. You were at your office every day then, were you not?

Mr. LESSLER. Yes; pretty regularly.

Mr. NICOL. Was Mr. Doblin in there, in every day?

Mr. LESSLER. No; he was not in much during the period from September until election, because he was employed otherwise. He did not take any active part in the campaign, so far as I was concerned, this year, because he was employed otherwise.

Mr. NICOL. After election and down to the time when you came to Washington, was he there constantly?

Mr. LESSLER. Not constantly; he would drop in about 11 o'clock in the morning.

Mr. NICOL. It was one of those occasions, between the 8th of November, or whatever date the election was held on, and the first Monday of December, when you had this conversation with him?

Mr. LESSLER. That is my recollection, and I have already stated it.

Mr. NICOL. How did you fix the date?

Mr. LESSLER. How do I fix that date?

Mr. NICOL. Yes.

Mr. LESSLER. I fix that date because my recollection is I came to Washington and told some members of the committee of this whole business a day or two after Congress assembled.

Mr. NICOL. That is, of his approaching you?

Mr. LESSLER. Of the whole business.

Mr. NICOL. You mean this proposition?

Mr. LESSLER. Yes, sir; this proposition.

Mr. NICOL. This corrupt proposition?

Mr. LESSLER. Yes.

Mr. NICOL. Had he ever made any other proposition of this kind to you?

Mr. LESSLER. No.

Mr. NICOL. Had Doblin?

Mr. LESSLER. No.

Mr. NICOL. It made quite an impression on your feelings, did it not?

Mr. LESSLER. Are you asking me for facts or are you asking me for my impressions?

Mr. NICOL. I am asking this pursuant to a suggestion made by one member of the committee. I want to know what your feelings were toward the man?

Mr. LESSLER. I will tell you what my feelings are toward Doblin.

Mr. NICOL. What your feelings were at the time. I do not want your feelings now.

Mr. LESSLER. At the time I first met the man, and as to that offer from him?

Mr. NICOL. Yes.

Mr. LESSLER. This man, I believe, would go a good ways to serve me, and, as I think back on it, his thought was in getting me to be persona grata with Mr. Quigg, who is or has been in a political position in New York; he was doing me a favor. That was the way I regarded it and that is the way I still regard it.

Mr. NICOL. That was quite separate and apart from the question of money?

Mr. LESSLER. The question of money was dismissed in about half a second or half a minute, Mr. Nicol.

Mr. NICOL. Would you mind telling me how he opened that conversation with you?

Mr. LESSLER. I think I have told all that.

Mr. NICOL. Would you mind telling me again?

Mr. LESSLER. No; I will tell you again, as far as my recollection goes.

Mr. NICOL. Will you kindly be specific about it?

Mr. LESSLER. As specific as I can, Mr. Nicol. He came in in considerable excitement that morning, as I remember it, and said: "Is the Holland submarine boat business coming up in the next Congress?" I said, "I don't know, but I guess it is." He said, "Are you still opposed to it?" I said, "Yes." He said, "I have been down to see Quigg and had a talk with him about it, and if he can get your influence in that committee there is $5,000 in it." I am not giving you the exact words.

Mr. NICOL. Did he say for himself?

Mr. LESSLER. He said, "There is $5,000 in it."

Mr. NICOL. He did not say there was $5,000 in it for you, did he?

Mr. LESSLER. Well, I would not be certain about that for this reason, that my understanding is that, the other day, when Mr. Doblin appeared before the committee, he said that he had made the remark to me that there was $5,000 in it, without saying it was in it for me.

Mr. NICOL. Those were his words, "There is $5,000 in it."

Mr. LESSLER. That is my recollection.

Mr. NICOL. That is all he said to you on the subject of money, as nearly as you can recall?

Mr. LESSLER. That is my recollection, as nearly as I can recall.

Mr. NICOL. He said nothing about there being a thousand dollars in it for him?

Mr. LESSLER. No; I don't know that.

Mr. NICOL. Did he say anything about there being anything in it for him?

Mr. LESSLER. The conversation stopped there, on the money proposition.

Mr. NICOL. Then he said nothing about there being anything in it for him?

Mr. LESSLER. I say the conversation stopped there. I have said that twice. I said that in answer to Mr. Taylor.

Mr. NICOL. Did he use the words "There are $5,000 in it for you," Mr. Lessler?

Mr. LESSLER. Mr. Nicol, I have told you now three times what I considered to be what I remembered that he said. I have answered Mr. Taylor fully as I remember he said.

Mr. NICOL. What day of the week was this?

Mr. LESSLER. I am unable to say.

Mr. NICOL. What day of the month?

Mr. LESSLER. I am unable to say.

Mr. NICOL. Was it in the fore part of November or in the latter part?

Mr. LESSLER. I am unable to say more than that it was after election and before Congress opened.

Mr. NICOL. On what day did Congress open?
Mr. LESSLER. On Monday.
Mr. NICOL. What day of the month was that?
Mr. LESSLER. On the 1st day of December.
Mr. NICOL. You came to Washington, I suppose, on Saturday, did you not?
Mr. LESSLER. No, I did not; I came on Sunday.
Mr. NICOL. And from the time of that event, how far was it?
Mr. LESSLER. I am unable to tell you more definitely than that.
Mr. NICOL. You have no recollection as to whether it was a week or more?
Mr. LESSLER. It was between those dates, so far as my recollection goes.
Mr. NICOL. It was not the day before you came, was it? The reason I am interrogating you on this point, Mr. Lessler, is this: It seems to me, if you will excuse me for saying so, that you would recollect with a considerable degree of certainty this proposition, because Mr. Doblin never made any other proposition to you.
Mr. LESSLER. No.
Mr. NICOL. That is the reason I am interrogating you about this. It is important to Mr. Quigg that you should be as accurate as you can.
Mr. LESSLER. Yes; I would like to aid Mr. Quigg.
Mr. NICOL. It is on his account that I am asking you these questions.
Mr. LESSLER. I am unable to fix the date more accurately than that. I have told you that four or five times.
Mr. NICOL. What time of the day was it?
Mr. LESSLER. I have a recollection that it was somewhere about midday, because I arrive at my office at 10 o'clock and leave about 4. It was somewhere in the middle of the day.
Mr. NICOL. You saw Mr. Quigg, did you not, in the Christmas holidays, during the recess?
Mr. LESSLER. I am unable to say whether the conversation I had with Quigg was before Congress opened or during the Christmas holidays. My impression was that it was before Congress opened, but I am not certain about that.
Mr. NICOL. Do you mean that it was in November?
Mr. LESSLER. That was my impression, but I would not be certain about it, Mr. Nicol. Mr. Doblin says that I saw Quigg——
Mr. NICOL. I do not care what Doblin says. We will take care of Doblin. He has enough before him.
Mr. DAYTON. Mr. Chairman, I want to object right here, as a member of this committee, to such remarks of counsel with reference to Mr. Doblin or any other witness before this committee.
Mr. QUIGG. Yes; and as to whether he has got enough before him or not. We will cut that out.
Mr. DAYTON. I move that counsel be confined strictly to cross-examination on the subject of inquiry.
Mr. NICOL. You gentlemen know that I would not intentionally offend the committee. Sometimes, in the heat of cross-examination, we all say things, perhaps, that are not exactly germane. I would be very glad to have the committee limit me in any way when I transgress.
Mr. LESSLER. The doubt that arises in my mind as to the date is from the fact that the gentlemen of the committee, in telling me what Mr. Doblin said when he came before the committee the other day, when I was not present, made the statement that he thought it was in the Christmas vacation that Mr. Quigg had come to my office.
Mr. NICOL. You have no independent recollection of it yourself?
Mr. LESSLER. No; I have not.
Mr. NICOL. Did Mr. Quigg call you up on the telephone just prior to his visit to your office?
Mr. LESSLER. I have already stated that is so.
Mr. NICOL. Did you have any talk over the telephone?
Mr. LESSLER. He said he wanted to come and see me and I said for him to come right over. He asked me to come to lunch with him, but I said, no; that I could not.
Mr. NICOL. When he arrived did you know what he was coming to see you about?
Mr. LESSLER. I think he did.
Mr. NICOL. You thought it was the *Holland* submarine boat matter?
Mr. LESSLER. Yes.

Mr. NICOL. Did you believe Doblin when he said to you that Mr. Quigg had authorized him to make that proposition to you?

Mr. LESSLER. I certainly did then, and I do now.

Mr. NICOL. You did believe it?

Mr. LESSLER. Yes.

Mr. NICOL. You do believe so now?

Mr. LESSLER. Yes.

Mr. NICOL. What was the first thing that Mr. Quigg said to you that you recall?

Mr. LESSLER. I think he gave me a cigar——

Mr. NICOL. The usual greeting——

Mr. LESSLER. Yes.

Mr. NICOL. Among friends and gentlemen who have not seen each other for some time?

Mr. LESSLER. That is correct.

Mr. NICOL. Then you took up the conversation with him?

Mr. LESSLER. Yes.

Mr. NICOL. You said: There is no question of money in it.

Mr. LESSLER. That there must be no question of money in it, or something on that order, pretty nearly to that effect.

Mr. NICOL. Did you tell him that Doblin had been to you in the month of November and had said to you that there was $5,000 in it if you would stop your opposition to the building of more torpedo boats?

Mr. LESSLER. I did not. I did not say that to Mr. Quigg, because the scale between Mr. Doblin and Mr. Quigg is a large and vast one, and I did not want to have to kick an ex-Member of Congress out of my office, when I might excuse it in a man like Doblin, whose feeling of helpfulness to me was probably the guiding motive in his idea.

Mr. NICOL. You had forgiven Mr. Doblin by that time?

Mr. LESSLER. I would not put it quite in that way.

Mr. NICOL. In any way you like.

Mr. LESSLER. The subject between Doblin and myself was dropped and not mentioned again.

Mr. NICOL. Did you mention Doblin's name to Mr. Quigg at all?

Mr. LESSLER. I did not.

Mr. NICOL. Did you ask Mr. Quigg whether he had any relations with the *Holland* people?

Mr. LESSLER. Mr. Quigg volunteered the statement that I have stated to Mr. Taylor. Do you want that again?

Mr. NICOL. No; not at all, if you object to giving it. Did he say that he had any business connection with them?

Mr. LESSLER. No; he said absolutely this: That he had no personal interest in the *Holland* submarine torpedo boat or the *Holland* people, but that a friend of his, a Mr. Hunter, as I remember the name, who had done him some favor and to whom he was obligated, had asked his help with me, and he had no further interest in it; that he felt that if I was so strongly disposed on the subject that was the end of it.

Mr. NICOL. Is it not a fact, Mr. Lessler, that you went to great lengths with Mr. Quigg in explaining to him all your objections to the Holland submarine torpedo boat?

Mr. LESSLER. You heard me say that.

Mr. NICOL. You explained it to him from a scientific standpoint?

Mr. LESSLER. I do not believe that I am able to do that. Yes; I remember using hydroplane and things of that sort, that have puzzled us here a whole lot. You can put it that way if you desire.

Mr. NICOL. Do you not recollect that Mr. Quigg said to you, after your talk with him on the subject, that you knew a great deal more about it than he did, and that if you felt that way about it he did not want to urge you.

Mr. LESSLER. I remember the honor that was done me. He said that.

Mr. NICOL. It was probably true from your being a member of this committee, was it not?

Mr. LESSLER. Probably so.

Mr. NICOL. Did he not say that he did not feel like urging you, in view of the fact that you had given so much study to the subject and had considered and understood it?

Mr. LESSLER. Have I not already told you that he said that?

Mr. NICOL. I do not recall it.

Mr. LESSLER. I recall it. I have already said that he said that.

Mr. NICOL. Mr. Quigg asks me to ask you whether you are sure that he mentioned any name to you as the person on whose account he came to see you?

Mr. LESSLER. Yes; I think Mr. Quigg mentioned the name of a Mr. Hunter, and as I recollect it, my thought is that he said a Mr. Hunter, of Virginia. I think he called him by his first name; but I do not remember his first name.

Mr. NICOL. Was the conversation you had with Doblin the first conversation you ever had with him about the Holland submarine torpedo boat?

Mr. LESSLER. Mr. Nicol, I think I have already answered that.

Mr. NICOL. I do not think you have.

Mr. LESSLER. I have already said that I may have mentioned it casually, because I went down in the boat and it was a very interesting event. I may have spoken of it as I would have spoken of it if I had met you at some time or met any other man, as an interesting experience for a man to travel under water. So that I can not say I have not spoken to him. In all probability I mentioned it in that way, because I think I went down in the boat once.

Mr. NICOL. I want to know whether Doblin, at any prior time, had asked you to aid the Holland submarine torpedo-boat people in their legislation?

Mr. LESSLER. No.

Mr. NICOL. Or had expressed any interest in them or in the company?

Mr. LESSLER. No.

Mr. NICOL. He had not?

Mr. LESSLER. No.

Mr. NICOL. I am very much obliged to you, gentlemen.

Mr. VANDIVER. There is one question I would like to have answered, because my recollection may be at fault, although I do not think it is. As I understand Mr. Lessler now, he does not state that Mr. Quigg made this offer to him himself. My recollection is that in Mr. Lessler's first statement to this committee he said that he was first approached by an intermediary, and afterwards by an ex-Member of Congress, who said to him that if he would vote right on this proposition he would give him a check for $5,000.

Mr. LESSLER. You are entirely mistaken, Mr. Vandiver, and I think every member of the committee in the room except yourself will probably tell you so.

Mr. VANDIVER. I want to know whether I am mistaken.

Mr. LESSLER. I say I never made any such statement. You are mistaken about that and I would like to have the gentlemen present reinforce your recollection and state that you are mistaken.

Mr. ROBERTS. If no other member of the committee desires to ask questions, there are one or two which suggest themselves to me, which have been brought out by the questions of Mr. Nicol and which I would like to ask through Mr. Tayler. Had you indicated in any way to Mr. Doblin, prior to the time he made you the offer, that you were hostile to any legislation in favor of the Holland Submarine Torpedo-Boat Company.

Mr. LESSLER. I will answer you in the way I have answered Mr. Taylor and Mr. Nicol, by saying that I do not recall any specific conversation with Mr. Doblin on the subject of the Holland submarine torpedo-boat, except as might have happened from a scientific standpoint, and as a curious proposition for a man to travel under water, or something of that sort.

Mr. ROBERTS. Then, so far as you know, Mr. Doblin did not know your state of mind in regard to the submarine torpedo-boat proposition?

Mr. LESSLER. I am unable to answer that. He may have known it from my vote.

Mr. ROBERTS. There is another point. It has appeared here that Mr. Lessler, prior to the time he stated in committee that an attempt had been made to bribe him, had informed other parties that an attempt had been made. I would like to ask him.

Mr. WHEELER. I object to that question.

Mr. ROBERTS. I will put the question in a little different way. When did you first mention, and to whom did you mention, the fact that an attempt had been made to bribe you?

Mr. WHEELER. I think I would object to that.

Mr. QUIGG. The date is very important. I do not care to what member of this committee he made any statement, but I hope the gentleman will bring out the date when he made it.

Mr. LESSLER. There is no good in discussing the question. I will tell you anything you want to know.

Mr. TAYLER. I made my inquiry as to whether the gentlemen had finished with their questions, and whether there was anything pending, in order that I might ask that very question.

Mr. ROBERTS. If you will interrogate Mr. Lessler, and ascertain the time, the place, and the persons to whom he made this statement, and every person to whom he made it prior to the announcement to the committee, I am satisfied.

Mr. TAYLER. Mr. Lessler, you stated that when this proposition was made to you by Mr. Doblin you communicated the information that it had been made. To whom did you communicate that information?

Mr. LESSLER. I do not recall anybody except some gentlemen of the committee.

Mr. TAYLER. To whom did you make that statement?

Mr. LESSLER. To Mr. Foss and Mr. Dayton.

Mr. TAYLER. How long after the proposal was made to you did you make this revelation to them?

Mr. LESSLER. I think I talked over this proposition with either Mr. Foss or Mr. Dayton a day or two after Congress opened.

Mr. TAYLER. After the recess?

Mr. DAYTON. No; after Congress opened.

Mr. TAYLER. At any rate you disclosed it within a very few days after the proposition had been made to you?

Mr. LESSLER. I would not put it quite that way, Mr. Tayler, because I am unable to fix the exact date. You say "very soon." I spoke to these gentlemen, my recollection is, in the other room, either a day or two after the 1st of December.

Mr. ROBERTS. I was not inquiring so much as to the exact time, because that might be a matter for your own direct statement, but I was inquiring more with reference to the lapse of time after the proposition had been made to you before you made the statement to these gentlemen.

Mr. LESSLER. If the conversation with Doblin took place between election and the 1st of December some time, and the conversation with Mr. Foss and Mr. Dayton took place a few days after the opening of Congress, the lapse of time is very easy to ascertain.

Mr. TAYLER. If it took place a short time afterwards, of course the lapse of time would be short. If the conversation between you and Doblin occurred after the opening of the present session of Congress, after the first of December, on your return home, how would it be?

Mr. LESSLER. Then I spoke to them in January, when I came back—after the 5th of January. The difference in time would be about the same in either case. What I am trying to fix now is my recollection in regard to the suggestion of Mr. Quigg as to the very day when we had that conversation, and that is not clear in my mind.

Mr. TAYLER. Were you at home between the 1st day of December, the day of the opening of Congress, and the Christmas vacation?

Mr. LESSLER. Yes; I was.

Mr. TAYLER. How many times?

Mr. LESSLER. I think I was at home on each Friday afternoon and each Saturday.

Mr. NICOL. Mr. Quigg says it was during the holidays.

Mr. LESSLER. I am quite willing to take Mr. Quigg's statement for that.

Mr. TAYLER. Might it not have been on one of these Friday or Saturday visits, after the 1st of December, that Doblin made this proposition to you?

Mr. LESSLER. It is quite possible.

Mr. ROBERTS. I would like to pursue this subject just a litle further. Will you please ask Mr. Lessler if he informed Mr. Foss and Mr. Dayton of this attempt to bribe him?

Mr. WHEELER. Mr. Lessler refreshes my recollection, that he spoke to me about this subject.

Mr. ROBERTS. When?

Mr. WHEELER. It has been since the holidays, and he told me——

Mr. ROBERTS. Just a moment. Is this going into the record——

Mr. WHEELER. Of course it is going into the record. What do you want me to hold on for?

Mr. ROBERTS. Mr. Lessler had been asked a question and was in the process of answering it.

Mr. WHEELER. No; he was not. I was in the process of making a statement, and I do not want to be put in the position of being told to hold on when I am making a statement. I want to make the statement, and I do not care to be told to hold on when I am making one.

Mr. ROBERTS. I had no intention of being offensive. I thought you were interrupting Mr. Lessler when he was answering my question.

Mr. WHEELER. Mr. Lessler spoke to me about the holiday time. The conversation occurred, as I remember it, some time when the torpedo-boat question was being discussed between us, and as I remember it he indicated that he did not intend to mention the fact if he could avoid it, that is, unless the torpedo-boat question was forced to the front he did not want to say anything about it.

Mr. TAYLER. If this proposition was made to you by Doblin between the 1st of December and the Christmas holidays, on one of the occasions when you went home on Friday, is it not likely that you made your disclosure to Mr. Foss and Mr. Dayton prior to the Christmas holidays or shortly after your return from New York after that weekly visit?

Mr. LESSLER. I do not think I told Foss and Dayton anything about it until Quigg had come to my office.

Mr. TAYLER. Can you remember how much time elapsed between Doblin's visit to you with this proposal and Mr. Quigg's visit to you?

Mr. LESSLER. I should judge about ten days.

Mr. DAYTON. It is proper to say here, in view of Mr. Lessler's statement, that I have a recollection of Mr. Lessler telling me about this matter.

Mr. VANDIVER. At what time?

Mr. DAYTON. That I can not remember. My recollection is that it was after Congress assembled, but whether it was before the holidays or not I do not remember.

The CHAIRMAN. I would like to say that my impression is that Mr. Lessler spoke to me of this matter prior to the holidays. I was busy at the time and did not pay much attention to it. I did not understand that it was a matter he was going to bring up.

Mr. KITCHIN. Did you tell any other members of the committee except Mr. Wheeler, Mr. Dayton, and Mr. Foss, that you recollect?

Mr. LESSLER. I am trying to recollect about that.

Mr. KITCHIN. Do you now recollect that you told any others, besides those three?

Mr. LESSLER. No; I think not. I am pretty certain I did not.

Mr. KITCHIN. I would like to know if it was suggested in any of those conversations that you should have an investigation of that matter.

Mr. LESSLER. No; I never thought of an investigation of the matter.

Mr. KITCHIN. There was nothing said about an investigation until you said it in committee?

Mr. LESSLER. There was nothing said about an investigation.

Mr. TAYLER. I want to ask for the information of myself whether at the time you mentioned this matter to Mr. Foss——

Mr. LESSLER. Mr. Chairman, my secretary is here now. Do you want to call him?

The CHAIRMAN. Tell him to wait.

Mr. TAYLER. At the time you mentioned this matter to Mr. Foss and Mr. Dayton, had the Holland Company boat proposition come up before the committee in any substantive way?

Mr. LESSLER. No proposition had come before us until the very day we were discussing and considering the paragraph about the increase in the Navy, when, as you know, various gentlemen offered a resolution.

Mr. TAYLER. The proposition to provide for the purchase of Holland torpedo boats did not appear in the bill as reported by the subcommittee on naval appropriations to the full committee.

Mr. LESSLER. That is correct.

Mr. ROBERTS. I want to ask Mr. Lessler if it is not a fact that the proposition to purchase Holland submarine torpedo boats was pending in this committee the day before the disclosure was made?

Mr. LESSLER. The position on the day before, as the gentleman from Massachusetts will probably recollect, was that there was a motion and two amendments pending, and that a motion was made to adjourn immediately after that.

Mr. ROBERTS. But the proposition was before the committee.

Mr. TAYLER. We understand that the proposition was before us on one day and the hearing continued until the next day.

Mr. ROBERTS. I would like the fact to appear that there had been one decisive vote on the proposition in committee before the charge of bribery was made.

Mr. LESSLER. That is not correct.

Mr. ROBERTS. You can refer to the record and settle that question.

Mr. VANDIVER. There had been a motion made to table the whole subject.

Mr. ROBERTS. There had been that proposition, which had been voted down, and there had been two decisive votes. The records will show that, so that it is immaterial.

Mr. RIXEY. Whilst this matter may not have come to a vote until the time Mr. Lessler mentioned it, yet it was generally understood that a proposition to build more Holland submarine boats would be made, and that understanding really had its existence from the beginning of Congress.

Mr. LESSLER. My understanding was very different.

Mr. TAYLER. State what your understanding was.

Mr. LESSLER. My understanding was that the Senate committee having given them a chance to get their boats, no further attempt would be made here. When I say "understanding," it was one of those general things that nobody was responsible for exactly. I did not seriously consider that they would make any attempt again in this body.

Mr. ROBERTS. I would like to ask if Mr. Lessler has any knowledge as to the time when what has been termed the "Roberts bill" was introduced.

Mr. LESSLER. Yes.

Mr. ROBERTS. Will you state the time, if you know it?

Mr. LESSLER. Of course your bill will show that.

Mr. ROBERTS. I am asking if you know. I am not asking you about the fact, but I ask if you know.

Mr. LESSLER. I think the bill was introduced about a week and a half before we discussed the subject.

Mr. ROBERTS. For the guidance of the committee, I will say that the bill was introduced on December 13, and that was the first time any proposition came before this session of Congress for Holland boats.

Mr. LESSLER. I will amend that by saying that I did not know of the proposition until you advocated it in full committee.

The CHAIRMAN. Are there any further questions?

Mr. VANDIVER. Mr. Lessler has mentioned the fact that he talked with two or three members about this subject and informed them of this proposition. I would like to ask him in that connection if he had also talked with any member of this committee in regard to bringing this matter before the committee?

Mr. LESSLER. Mr. Vandiver, you know very well the way in which the situation arose.

Mr. VANDIVER. I am only asking about a simple matter of fact.

Mr. LESSLER. I am going to answer your question. I imagined that this committee of 17 members was in session, and that any statement I made to those 17 members would be kept among these 17 members. It was for them and for them alone. No man likes to be a target for a proposition like this, and I did not like to be, and I do not want to be. The question is beyond my power in the matter, and I simply stand and tell you what I know. I responded to your suggestion before the committee, and I have responded to every suggestion. I do not have any other feeling than that the subject has come out and that I am standing on it. My object in telling that was to tell it to the members of this committee, and I had no idea that any man on this committee would go and repeat it outside of this room. My faith in the committee was not justified.

Mr. VANDIVER. I want to say to the gentleman that he can still be assured I have never mentioned it.

Mr. LESSLER. Mr. Vandiver, I have not intimated that.

Mr. VANDIVER. You have not answered the question.

Mr. QUIGG. I submit that this is not cross-examination.

Mr. LESSLER. Let me answer Mr. Vandiver's question. If you will repeat it I will try to answer it.

Mr. VANDIVER. I tried to ask it in a very friendly way, without making any reflection whatever. I will ask the stenographer to repeat the question.

The question was repeated as follows:

"I would like to ask you, in that connection, if you had also talked with any member of the committee with regard to bringing this matter before the committee."

Mr. LESSLER. I talked with those members of the committee because those were gentlemen who were *working* on the bill, and I did not see many other

members of the committee daily around about here at that time. All of us do not make this our headquarters. That is the way I came to talk with those gentlemen. I had been closely in association with those gentlemen on the committee.

Mr. VANDIVER. My question did not go to the point of propriety, but only to the point as to whether or not you had consulted with those same gentlemen to whom you had mentioned the matter as to your intention of bringing it before the committee.

Mr. LESSLER. No; I do not think they had any thought of bringing it to the attention of the committee. It was brought to the attention of the committee just as I have told you, thinking it would remain right in this room.

Mr. WHEELER. I desire to interrogate him on another matter that has not been touched on.

Mr. ROBERTS. Will you pardon me for a moment, to ask another question, if you are going off on an entirely different matter? I would like to ask Mr. Taylor what his intent was in bringing the matter to the notice of the committee; whether it was not his intention and design to injure the Holland Submarine Torpedo-Boat Company?

Mr. WHEELER. I object to that question.

Mr. LESSLER. I would like to answer that. It has been common knowledge in Washington, in a vague, rumory way, that we call things common knowledge, that all sorts of pressure has been brought to bear, and as you know it has been mentioned in this committee—upon this submarine torpedo-boat proposition; and my idea was to tell the members of my committee just what had happened with reference to this proposition. I repeat again that I thought I was telling the members of my committee and no one else.

Mr ROBERTS. Your intent then was to injure the Holland submarine torpedo-boat people?

Mr. LESSLER. Will you ask that question through Mr. Taylor?

Mr. ROBERTS. If Mr. Lessler objects to going any further into this matter I will not press it.

Mr. LESSLER. That is an improper question and should come from the representative of the Holland Submarine Torpedo-Boat Company, and not from a member of this committee.

Mr. QUIGG. I think a fair question would be what his purpose was in making the statement, and then let him state what it was. He has already answered that.

Mr. LESSLER. My purpose in making the statement was to tell, when the project came up, my fellow committeemen of the whole business, which I did.

Mr. RIXEY. It was to put them in possession of the facts?

Mr. WHEELER. I want to interrogate him on an entirely different matter.

Mr. LESSLER. Yes, sir.

Mr. WHEELER. After this conversation which you had with this man Doblin, is it not true that you subsequently met Mr. Quigg or Doblin and some other gentleman, at the Waldorf-Astoria, and had a conversation about this matter?

Mr. LESSLER. No, I never saw them.

Mr. WHEELER. Is it not true that some other gentleman mentioned this subject to you; and if so, will you kindly state what he said and give his name?

Mr. LESSLER. No, nobody else mentioned it to me. I understood that Doblin had met Mr. Frost at the Waldorf-Astoria. That is all I know about it.

Mr. WHEELER. Did not some friend of yours, whose name you have not yet disclosed, have a conversation with you on this subject?

Mr. LESSLER. No; not that I recollect. You have got the facts twisted in some way.

Mr. WHEELER. No, I have not. I remember very distinctly the conversation I am trying to arrive at; I am talking about a conversation that you and I had to the effect that some one else spoke to you on this subject whose name you declined to disclose to the subcommittee.

Mr. RIXEY. Is not this about the way that you got your impression that a friend of Mr. Lessler had told him that he had been approached also by some party, but that he did not want to give that friend's name?

Mr. WHEELER. I do not remember it that way. You recall the fact that you declined to give us the name of a gentleman who was your friend and had been approached on this subject, do you not?

Mr. LESSLER. No; I do not. I am willing to give you any names I have.

Mr. WHEELER. At that time we declined to press you for the name of this friend who had appealed to you not to mention his name, and you said that if an investigation was demanded by Congress you would disclose the name.

Mr. LESSLER. I do not recall any such thing. My recollection is that Doblin said something about meeting Frost at the Waldorf-Astoria.

Mr. WHEELER. Mr. Chairman, am I wrong about Mr. Lessler having some conversation with a friend whose name he declined to disclose and as to the fact that we did not press him on the subject?

The CHAIRMAN. I do not recall.

Mr. WHEELER. It is possible that I may be in error.

Mr. ROBERTS. There is one further question I would like to ask. It is not clear in my mind, from something Mr. Lessler has just said, whether Doblin told him that he, Doblin, had met Mr. Frost at the Waldorf-Astoria.

Mr. LESSLER. No; I don't know whether Doblin told me that or not.

Mr. THURSTON. Mr. Chairman, I represent the Holland Submarine Torpedo-Boat Company. Up to the present time nothing has been shown in any way connecting that company with the matter under investigation, and I do not care to ask any questions of Mr. Lessler.

Mr. WHEELER. Mr. Chairman, I object to this going into the record.

Mr. ROBERTS. Certainly it should go into the record.

The CHAIRMAN. It is not important whether it should go in or go out.

Mr. WHEELER. I object to the statement going into the record which indicates no connection by the Holland Submarine Torpedo-Boat Company with this matter.

Mr. THURSTON. I do not care anything about whether it goes into this record or not. I am simply stating it to the committee. As I said, I would like to ask the committee to reserve to me the right, if at any future time during this investigation the interest of my client seem to require it, to ask Mr. Lessler some additional questions.

Mr. DAYTON. Mr. Chairman, I want to agree to that. If Senator Thurston does not object, I would like to have him state all the representatives, attorneys, and agents of this company, besides himself, so that we may know who the parties are representing this company.

Mr. THURSTON. Mr. Chairman, you will have to ask somebody else besides myself. I have only been employed for the purpose of attending this hearing.

The CHAIRMAN. That is a matter that can be deferred until some other time. Are there any further questions on this witness?

Mr. LESSLER. I would like to have my secretary called.

The CHAIRMAN. I will say that we have Ex-Senator Hunton here, and he has just given me a card to the effect that he would like to get away before 2 o'clock.

Mr. WHEELER. Let us hear him now.

Mr. RIXEY. It may be possible that he will be wanted hereafter.

TESTIMONY OF EPPA HUNTON.

EPPA HUNTON was duly sworn by the chairman and examined as a witness.

The CHAIRMAN. Mr. Tayler, will you interrogate Senator Hunton?

Mr. TAYLER. Mr. Hunton, what relation, if any, do you bear to the Holland Submarine Torpedo-Boat Company?

Mr. HUNTON. I have been counsel for the company.

Mr. TAYLER. For how long?

Mr. HUNTON. Probably two years.

Mr. TAYLER. Are you acquainted with Mr. Quigg, formerly a Member of the House of Representatives from New York?

Mr. HUNTON. I am, sir. My acquaintance with him commenced at 11 o'clock to-day, in the anteroom of this committee.

Mr. TAYLER. Have you had any communication with him in respect to the business of the torpedo boat company?

Mr. HUNTON. Never at all.

Mr. TAYLER. If Mr. Quigg had any conversation in respect to the business of the Holland Submarine Boat Company a month or two ago, it was not on your initiative or suggestion?

Mr. HUNTON. I never heard of Mr. Quigg in connection with the company until within the last day or two.

Mr. TAYLER. I think that is all.

Mr. DAYTON. Will Mr. Tayler please ask Senator Hunton whether it is a Virginia corporation, or whether they have any office or business of any kind in Virginia?

Mr. BUTLER. Ask him what their relations are, and how many counsel they have.

Mr. TAYLER. I think that any gentlemen who are going to ask questions of that kind had better ask them themselves.

Mr. BUTLER. Very well. I have no objection to asking.

Mr. Hunton, you have been counsel for this company for two years?

Mr. HUNTON. About that, sir.

Mr. BUTLER. Is it your business to try the cases of that company, and to advise the company generally?

Mr. HUNTON. They have had no cases so far as I know of here except before this committee.

Mr. BUTLER. This is all?

Mr. HUNTON. Yes, sir.

Mr. BUTLER. Do you know of the company employing any other counsel except yourself?

Mr. HUNTON. I don't know of it of my own knowledge.

Mr. DAYTON. Have you ever appeared before this committee in its matters before it as counsel?

Mr. HUNTON. Never, sir.

Mr. DAYTON. Then you never have had any business for them in fact, although associated with them?

Mr. HUNTON. I beg your pardon; I have. I have been in consultation with them about their business very often.

Mr. DAYTON. Is this a Virginia corporation?

Mr. HUNTON. It is not, sir, as I understand it.

Mr. DAYTON. Did it ever have any office in Virginia?

Mr. HUNTON. Not that I am aware of.

Mr. DAYTON. Or any business of any kind there?

Mr. HUNTON. Not that I know of.

Mr. DAYTON. Do you know where their office is?

Mr. HUNTON. I do not.

Mr. DAYTON. Or where their business is?

Mr. HUNTON. Their business is manufacturing these Holland boats. That is all I know, sir.

Mr. DAYTON. Do you know where their plant and works are?

Mr. HUNTON. I did know, but I declare I would not be able to state it. I have heard it, frequently.

Mr. DAYTON. Your connection with them has been here in the city of Washington, has it not?

Mr. HUNTON. Yes, sir; entirely.

Mr. DAYTON. Alone?

Mr. HUNTON. Yes, sir.

Mr. ROBERTS. General Hunton, I would like to ask, sir, if you conduct a law business on your own account, or have you partners?

Mr. HUNTON. I have no partners.

Mr. ROBERTS. Have you an office in Washington?

Mr. HUNTON. Sir?

Mr. ROBERTS. Have you a law office in Washington?

Mr. HUNTON. I had until probably the 1st of last July, when I gave it up.

Mr. ROBERTS. That is all.

TESTIMONY OF FRANK P. SON.

FRANK P. SON sworn.

Mr. TAYLER. You are Mr. Lessler's secretary, are you?

Mr. SON. Yes, sir.

Mr. TAYLER. How long have you been engaged in that capacity?

Mr. SON. Since April 1.

Mr. TAYLER. Were you present when John McCullagh had a conversation with Mr. Lessler respecting the Holland submarine boats?

Mr. SON. Yes, sir.

Mr. TAYLER. About when did that occur?

Mr. SON. Well, I think it was in June.

Mr. TAYLER. Of last year?

Mr. SON. Of last year; yes, sir.

Mr. TAYLER. Now, you may state your recollection of that conversation.

Mr. SON. Well, I think I had better go back a few days before that.

Mr. TAYLER. Tell it in your own way.

Mr. SON. I think it was one Friday or Saturday that a telegram came for Mr. Lessler from Mr. McCullagh, and I wired back that Mr. Lessler was in the West. I forwarded the message to Mr. Lessler. Then, a few days after that, or a couple of days, perhaps, Mr. McCullagh came to Washington, and came up to see me. He asked me if I had heard anything from Mr. Lessler, and I said that I had not. Then he telephoned to me once or twice, and I said that I had not heard that he was coming, but I thought he was going home by way of New York. Then Mr. Lessler came back, I think, about Tuesday, and about 8 or 9 o'clock, I should say, I was in his room with him, and Mr. McCullagh came in, and he said that he had a matter that he wanted to talk to him about, but—and he looked at me. Mr. Lessler said, "Whatever you have to say to me is all right; Son is my secretary." Then he went on, and I don't remember the words, but he said that he was interested in the passage of some amendment to the naval bill, and he told Mr. Lessler that he would like to have him vote for it. One conversation led to another, and finally he made the statement that he represented men who could beat his nomination, or nominate him. I didn't hear him say anything about his election. Then Mr. Lessler told him that he would see him in hell first.

Mr. TAYLER. What was it he wanted him to favor?

Mr. SON. On the Holland submarine boat. Then Mr. Lessler went into detail, and told him that he guessed that he did not understand the question, and he explained his position fully in the matter. Then Mr. McCullagh asked him if he would not vote for it for him, personally, and he said that he would not. And that is really all the conversation I heard. Of course there was a great deal of detail to it. After a while I went out and went home.

Mr. TAYLER. Were you there when the conversation concluded, or did you leave them together?

Mr. SON. I was not there. I think he went out just after I did; but they were practically finished in their talk, and so I left.

Mr. ROBERTS. Where was this?

Mr. SON. In room 163 in the Normandie.

Mr. ROBERTS. Mr. Lessler's private apartments?

Mr. SON. Yes, sir.

Mr. ROBERTS. That is all I care to ask.

Mr. THURSTON. I would like to ask him a question, Mr. Chairman.

The CHAIRMAN. Senator Thurston.

Mr. THURSTON. Did Mr. McCullagh say what people he represented in making this request?

Mr. SON. No, sir; he did not; not to my knowledge.

Mr. THURSTON. Did he use the name of any individual or of any company?

Mr. SON. No, sir; I do not remember hearing him.

Mr. THURSTON. He appealed to Mr. Lessler on political and personal grounds?

Mr. SON. I should say that that was the ground.

Mr. THURSTON. Yes; and so far as you heard there was no suggestion of any improper interest or inducement held out?

Mr. SON. Except as I said.

Mr. THURSTON. Except as you have stated?

Mr. SON. In a political way.

Mr. THURSTON. Some political people were interested who could do him good or harm?

Mr. SON. Yes, sir.

Mr. THURSTON. But he did not state who those were?

Mr. SON. No, sir.

Mr. MEYER. Did Mr. McCullagh appear satisfied with Mr. Lessler's explanation, and leave?

Mr. SON. He appeared disappointed.

Mr. MEYER. Did he appear much affected by what he said?

Mr. SON. He did not seem very much affected, but still he seemed to be disappointed, and he seemed very anxious to see him before that.

Mr. ROBERTS. Mr. Tayler, will you ask the witness if the language used by Mr. McCullagh was a threat?

Mr. WHEELER. That is asking for a conclusion.

Mr. ROBERTS. In what manner was the language used; in a threatening manner?

Mr. TAYLER. Answer the question. Was it given in a threatening manner?

Mr. SON. I could not say that, because he was talking in rather a low tone of voice, but he was using more of the persuasive language, as though he was doing him a good turn in assisting him in that way.

Mr. ROBERTS. Did Mr. McCullagh say that he personally could or would defeat Mr. Lessler's renomination?

Mr. SON. I did not understand him to mean that.

Mr. ROBERTS. Your understanding was that Mr. McCullagh stated there were certain parties who were in a position to aid or defeat Mr. Lessler's renomination?

Mr. SON. Yes, sir.

Mr. ROBERTS. As a matter of fact, his renomination was not defeated. He was renominated?

Mr. SON. Yes, sir.

(Witness excused.)

Mr. RIXEY. I would like to ask General Hunton a question.

General Hunton, you did not hear Mr. Lessler's testimony?

Mr. HUNTON. No; I could not hear it.

Mr. RIXEY. He testified, in effect, that a young man by the name of Doblin came to him with a proposition of an offer of $5,000 to influence his vote and action in this committee, and stated to him that he came from Mr. Quigg. Mr. Lessler then stated that he afterwards had an interview with Mr. Quigg, and Mr. Quigg stated, after some conversation, that he himself had no personal interest in the matter, but that the only interest he felt was for a friend he had in Virginia who had served him, and he thought his name was Hunter. What I wish to ask you is, if you know, in any way, of any attempt, directly or indirectly, by you or through anyone else, to influence any member of this committee?

Mr. HUNTON. I certainly do not, gentlemen, and I will say further that if such information had come to me I would have withdrawn from the service of the company on the spot.

I want to say that I never did know anything about an attempt to bribe a Member of Congress from the time I entered it in 1873 down to the present time.

Mr. RIXEY. Mr. Lessler wants me to state that he did not suggest your name at all, but that there was simply some similarity in the name, and the fact that you are counsel for the company suggested that possibly you were the party that was referred to instead of a man named Hunter.

Mr. WHEELER. Do I understand him to say that he has never spoken to a member of this committee about these boats?

Mr. RIXEY. Mr. Wheeler says he understood you to state that you never spoke to a member of this committee about these boats.

Mr. HUNTON. No, sir; I never said that. I said I had spoken to two members. I spoke to Mr. Rixey, who is my Representative, my esteemed friend, and my relative, and I think I spoke to Mr. Meyer once in passing; but it was merely a casual talk with Mr. Meyer of a minute or two.

Mr. MEYER. I can state, Mr. Chairman, that the reference Senator Hunton made to me with reference to these boats on one or two occasions was, in my judgment, entirely proper and entirely within what is right as between an attorney representing the company and a member of the committee.

Mr. QUIGG. Gentlemen, this story has gone out to the effect that Mr. Doblin has used my name, and I think the committee should do me the justice of permitting me to say what I know about this matter.

Mr. WHEELER. I object to Mr. Quigg being heard at this time, and I want to state my grounds for it. I think it would be highly improper to do Mr. Quigg any injustice, and we ought to give him every opportunity to be heard. But we are not conducting this examination for the purpose of protecting or injuring the reputation of any man, but for the purpose of preserving the integrity of the House of Representatives, and I do not think we ought to break the continuity of our examination. We are presenting the case here in its proper form, and to break the continuity of the examination would be in violation of legal precedent and certainly detrimental to a thorough investigation of the case. I think it is proper for us to hear the statements of the witnesses we know of, and after an investigation as to the truth of those statements, if Mr. Quigg desires to be heard in order to protect his character from aspersion and his reputation from injury, I certainly would be swift to give him every assistance for obtaining full justice at the hands of this committee.

Mr. RIXEY. Mr. Quigg, is it your idea that if the committee permit you to testify now, that you will leave before we get through with this investigation?

Mr. QUIGG. It is my idea to stay here before this committee if Mr. Doblin is procured as a witness.

Mr. RIXEY. Have you any doubt as to his being procured?

Mr. QUIGG. I don't know. I don't know where Mr. Doblin is.

Mr. RIXEY. He is in New York, is he not?

Mr. QUIGG. I am sure I don't know.

The CHAIRMAN. I have had a telegram from Mr. Doblin, which has just been handed to me, and is addressed to me, saying that he can not come until Monday and to advise him if that will do. Signed Doblin.

Mr. RIXEY. Where is that from?

The CHAIRMAN. It is from New York, and it is directed to me. The first telegram which I read to you gentlemen was directed to Mr. Lessler.

Mr. LESSLER. He came voluntarily the other day.

Mr. VANDIVER. Why not proceed with Mr. Quigg's testimony, and then we can get Mr. Doblin later?

Mr. RIXEY. Can we not get Doblin here by to-morrow morning?

Mr. WHEELER. Of course we can get him here if we send the sergeant-at-arms after him.

Mr. QUIGG. The evidence of Mr. Doblin is known to some of the committee, from their examination of him—I do not know what that evidence is. The manner in which Mr. Doblin associates me with an offer of money to Mr. Lessler is certainly well known and has been given out to the newspapers.

Mr. WHEELER. We are not trying this question by newspapers.

Mr. QUIGG. No; but I am individually sensitive about my own reputation, and I do feel that the very earliest opportunity should be given to me, after such a story has been printed and circulated, to tell what the facts are as I know them, and I hope the committee will give me that opportunity.

Mr. WHEELER. If Mr. Quigg wants me to I will go into that question, although I do not like to go into that phase of the question in open session.

Mr. RIXEY. Why is it that you make use of an expression suggesting doubt as to whether Mr. Doblin can be gotten here?

Mr. QUIGG. I did not express any doubt about it especially. I do not know anything about it. I simply know he is not here.

Mr. RIXEY. I thought you expressed some doubt as to whether he was in New York or whether he could be gotten here.

Mr. QUIGG. I do not know anything about it.

Mr. WHEELER. I think we had better go into executive session. There are some things I would like to suggest to this committee that it is not exactly proper I should say in public.

Mr. ROBERTS. Before we go into that phase of the question I would like to ask if the Major Hunter whose name was mentioned yesterday is present.

The CHAIRMAN. Yes; Major Hunter was here this morning, and I said to him that we would call him up by telephone in his office when we wanted him.

Mr. ROBERTS. Is there any other witness present, other than Mr. Quigg, whom we could examine?

The CHAIRMAN. There is no other witness present that I know of.

Mr. RIXEY. You can have Major Hunter here in five minutes.

The CHAIRMAN. He said he knew nothing about it and did not know how his name was brought into it in any way.

Mr. VANDIVER. I move that we take a recess for thirty minutes for lunch, and that we then proceed with the examination of Mr. Quigg.

Mr. RIXEY. Mr. Wheeler's motion takes precedence. He has moved that we go into executive session.

Mr. WHEELER. I have already moved that we exclude these witnesses and the attorneys and settle this question among ourselves in executive session.

The motion was agreed to, and the committee, at 1.30 p. m., went into executive session.

WASHINGTON, D. C., *January 24, 1903.*

The committee met at 10.30 o'clock a. m., Hon. George E. Foss in the chair.

TESTIMONY OF PHILIP DOBLIN.

PHILIP DOBLIN was sworn and examined.

Mr. TAYLER. Your name is Philip Doblin, is it?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. How old are you?
Mr. DOBLIN. Twenty-eight the 13th of July.
Mr. TAYLER. Where do you live?
Mr. DOBLIN. 436 East Eighty-second street, New York City.
Mr. TAYLER. How long have you lived there?
Mr. DOBLIN. About twelve years.
Mr. TAYLER. Where were you born?
Mr. DOBLIN. I was born on Thirty-ninth street.
Mr. TAYLER. You were born in New York?
Mr. DOBLIN. Yes, sir.
Mr. TAYLER. You have lived in New York all your life, have you?
Mr. DOBLIN. Yes, sir.
Mr. TAYLER. What is your employment now?
Mr. DOBLIN. I haven't any at present.
Mr. TAYLER. What have you been doing the last year or two?
Mr. DOBLIN. I have been in various employments.
Mr. TAYLER. State in a general way what you have been doing?
Mr. DOBLIN. How long back?
Mr. TAYLER. I want to get back for a year, covering the period of your intimate relations with Mr. Lessler.
Mr. DOBLIN. During the campaign of 1902 I was employed by the Republican campaign committee. I had charge of the distribution of literature. During that campaign also I was employed as a deputy superintendent of elections, and the time that I did not have any employment as a superintendent of elections I was attending to the distribution of literature. When the campaign was over there was a special election.
Mr. TAYLER. A special election?
Mr. DOBLIN. A special election to succeed a Congressman who had resigned from the Seventh district; his name was Nicholas Muller; and during the preliminaries I attended to whatever was to be attended to that came my way, going around and trying to do what I could to help Mr. Lessler's election.
Mr. TAYLER. You mean his election a year ago?
Mr. DOBLIN. Yes, sir; that, I understand, is the answer to your question regarding what I was doing during that period in which I became intimately acquainted with Congressman Lessler, although I had known him originally—met him in 1894. I think it was during the political controversy of that year.
Mr. TAYLER. You have been interested in politics, have you, for many years, in New York?
Mr. DOBLIN. Over twenty years.
Mr. TAYLER. By the way, Mr. Doblin, I am reminded to ask you what it was in my mind to ask in a preliminary way. How did you come to come here this mornng? Were you subpœnaed by the Sergeant-at-Arms, or did you come on a telegram?
Mr. DOBLIN. I had a telegram from the chairman to come here yesterday. I got it at 1 o'clock in the morning, so I immediately telegraphed that I would be on Monday, thinking you gentlemen would take the usual adjournment, and asked whether it would be satisfactory. When I looked at the papers last night I found a statement there that Chairman Foss had sent for me, and I immediately telephoned home and told them I would leave for Washington at midnight, which I did.
Mr. TAYLER. You did not come, then, on a subpœna?
Mr. DOBLIN. No, sir.
Mr. TAYLER. That is, you did not see the Sergeant-at-Arms or his representative?
Mr. DOBLIN. No, sir.
Mr. TAYLER. Now, Mr. Doblin, you may state descriptively what relations you sustained with Mr. Lessler after his election a year ago. How often did you meet and what was the occasion of your meeting?
Mr. DOBLIN. Why, whenever he was in town I used to see him pretty near every day. As a matter of fact, during March, I think it was, I was appointed receiver in bankruptcy by a city court judge, and in my papers I made 31 Nassau street my office; had the mail addressed there. After that I was appointed by the United States circuit court judge or a district court judge receiver in bankruptcy, and, of course, in my papers there that I filed, the bond, etc., I gave my address as 31 Nassau street.
Mr. TAYLER. You had no business relations with Mr. Lessler?

Mr. DOBLIN. Not other than politics, except that I stood with him to serve him in any way I could—no business in reference to this estate.

Mr. TAYLER. How often were you at his office?

Mr. DOBLIN. Oh, sometimes every day. That is, some weeks every day. Other weeks I have been there once or twice. While I was employed, of course, I didn't go there except on Saturdays. I tried to get in when he was in town.

Mr. TAYLER. Do you know Mr. Quigg?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. How long have you known him?

Mr. DOBLIN. I became acquainted with Mr. Quigg when I was secretary to the Fifteenth Congressional conference committee, just prior to the time Mr. Quigg was made, or at least elected, chairman of the Republican fund committee of New York.

Mr. TAYLER. When was that?

Mr. DOBLIN. 1896.

Mr. TAYLER. And how often did you see him and how intimate was your acquaintance with him from that time?

Mr. DOBLIN. I used to see Mr. Quigg on and off at conventions, during the regular conventions of the State. I occasionally met him at the receptions of clubs in the city.

Mr. TAYLER. Were you well acquainted with him?

Mr. DOBLIN. Oh, no, not exactly well acquainted with him, excepting that I think through the influence of the district leader I received his indorsement for political preferment.

Mr. TAYLER. Then, you saw him a few days each year, is that about the way you would have us understand it, after 1896?

Mr. DOBLIN. Yes.

Mr. TAYLER. Up until the first of these conversations?

Mr. DOBLIN. Well, I may have seen him more than a few times. I probably saw him at the county court-house—no, at the city hall. I may have walked along there and met him somewhere.

Mr. TAYLER. Prior to the convening of the present session of Congress, about the 1st of November, had you heard Mr. Lessler talk about the Holland submarine boat?

Mr. DOBLIN. I heard him one day say that he was on an excursion or visit, going under in one of the boats. That was an excursion.

Mr. TAYLER. Have you had any talk with him about the merits of the proposition to build submarine boats or buy them?

Mr. DOBLIN. No, sir.

Mr. TAYLER. Had you any knowledge about his attitude in that respect prior to, say, the beginning of this session of Congress, the 1st of December?

Mr. DOBLIN. No, sir.

Mr. TAYLER. When did the question as to where Mr. Lessler stood on that proposition come up?

Mr. DOBLIN. Do you mean with Mr. Quigg?

Mr. TAYLER. Yes; or with anybody else. Let me lead right up to what I want, without wasting any time. Had you had any talk with Mr. Quigg respecting the subject of Holland submarine boats?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. Was that the first time you had any discussion with anybody about the matter?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. When was that you had the talk with Mr. Quigg, approximately?

Mr. DOBLIN. I think it was some time between the 10th and 18th of December.

Mr. TAYLER. And where?

Mr. DOBLIN. I received a telephone message, asking me to come to 100 Broadway.

Mr. TAYLER. Where were you when you received this message?

Mr. DOBLIN. I think I was in my brother's office on Church street.

Mr. TAYLER. Were you reached on the telephone yourself?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. And who, at the other end of the telephone, talked to you?

Mr. DOBLIN. Somebody said Mr. Quigg wanted to talk with me.

Mr. TAYLER. Did Mr. Quigg talk with you over the telephone?

Mr. DOBLIN. He asked me to come down and see him.

Mr. TAYLER. What time of day was this?

Mr. DOBLIN. It was about half past 11.

Mr. TAYLER. Did you go at once?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. Had you seen Mr. Quigg recently before that time to talk with him about anything?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. Where?

Mr. DOBLIN. I think I went over and asked him—I told him I referred the bond company to him for an indorsement, as I had to give certain references, and among those I gave Mr. Quigg.

Mr. TAYLER. Is that the only time you had seen him recently before that?

Mr. DOBLIN. Except at the State convention in September.

Mr. TAYLER. About half past 11 you think it was you went to his office?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. And saw him there?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. You may state what occurred.

Mr. DOBLIN. We went out to lunch together.

Mr. TAYLER. Did he invite you to lunch?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. Where did you go?

Mr. DOBLIN. It was the Mutual Cafe, a restaurant on Liberty street.

Mr. TAYLER. Near by?

Mr. DOBLIN. Yes, sir; only two blocks away.

Mr. TAYLER. Tell us what occurred in respect of this subject, Holland submarine boats, when you were there at lunch together.

Mr. DOBLIN. Mr. Quigg wanted to know how Mr. Lessler and I were. I told him I thought Mr. Lessler and I were very intimate. He wanted to know if I had heard anything about submarine boats. I said, "Yes; I understand that Mr. Lessler made a trip on the boat," and was against the proposition. Of course I heard Mr. Lessler say he was against the proposition.

Mr. TAYLER. What else?

Mr. DOBLIN. We talked over the Roberts bill—that, I understand, is the name of the submarine boat bill. There was no mention of any other title excepting the Roberts bill, and that it provided for 10 submarine boats. Mr. Quigg was anxious to get Lessler's friendly disposition toward the bill, and he said, after talking variously, "There is $5,000 in it."

Mr. TAYLER. Tell us, as near as you can, just what he said.

Mr. DOBLIN. He told us he was not personally interested in this thing. He said, "There is some friend of mine whom I desire to favor if I can. If I can get the aid I want, there will be $5,000 in it." Then he said, "I think I can make it a thousand for you." He says, "Telephone me at 3 o'clock and I will let you know about that."

Mr. TAYLER. For whom did he say there was $5,000 in it?

Mr. DOBLIN. The man we were talking about. He said he was the man.

Mr. TAYLER. That is Mr. Lessler?

Mr. DOBLIN. We were talking about Lessler. We were not talking about anybody else. He didn't use his name; but he specifically said "may be able to fix it for a thousand for you. You telephone me at 3 o'clock and I will let you know about it." Then he left. At 3 o'clock I telephoned.

Mr. TAYLER. You went to see Mr. Lessler, did you?

Mr. DOBLIN. Mr. Lessler wasn't in town.

Mr. TAYLER. You telephoned at 3 o'clock, did you?

Mr. DOBLIN. I telephoned at 3 o'clock and I was told "That will be all right."

Mr. TAYLER. Do you know who was on the other end of the telephone?

Mr. DOBLIN. No, sir.

Mr. TAYLER. You could not tell by the voice?

Mr. DOBLIN. No, sir.

Mr. TAYLER. What occurred, then, on the telephone?

Mr. DOBLIN. I asked for Mr. Quigg, and I presume I was connected.

Mr. TAYLER. Very well. What occurred?

Mr. DOBLIN. The gentleman on the other end says "All right." He said "This is Doblin, and that will be all right." That is all there was to that.

Mr. TAYLER. Did you make any special reference to a previous arrangement to call him at 3 o'clock, or know what it was?

Mr. DOBLIN. I just said "This is Doblin." I said "Is Mr. Quigg in?" Somebody on the other end of the phone said "Yes. Hello, this is Doblin," and I heard "That will be all right."

Mr. TAYLER. You said nothing but "This is Doblin?"

Mr. DOBLIN. That is all.

Mr. TAYLER. When did you see Mr. Lessler?

Mr. DOBLIN. The following day.

Mr. TAYLER. Do you know what day of the week it was?

Mr. DOBLIN. Saturday morning.

Mr. TAYLER. What occurred when you saw Mr. Lessler?

Mr. DOBLIN. He was standing at his desk looking at his mail, and I asked him whether the torpedo submarine boat business was going to come up again. He said it might. I said "I was sent for yesterday." He said "By whom?" "By Mr. Quigg." I told him just what I——

Mr. TAYLER. What did you tell him? State just what you told him.

Mr. DOBLIN. I told him "There will be $5,000 in this if you can see your way clear to be friendly to it." He kind of said "Humph, humph," and laughed. He threw his papers down, and there was no more to it. He said "There is nothing in that." He said "Quit." I tried to talk and he said "Quit."

Mr. TAYLER. And you quit?

Mr. DOBLIN. I quit. That is all.

Mr. TAYLER. Did you communicate this to Mr. Quigg?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. Where did you see him?

Mr. DOBLIN. At 100 Broadway.

Mr. TAYLER. When?

Mr. DOBLIN. I think it was the same afternoon.

Mr. TAYLER. What did you say to him?

Mr. DOBLIN. I told him Mr. Lessler wouldn't—"it can't be done." I think that was the language I used—"it can't be done."

Mr. TAYLER. What could not be done?

Mr. DOBLIN. The mission I was after, trying to get Lessler.

Mr. TAYLER. Was anything said about money in that conversation?

Mr. DOBLIN. No, sir.

Mr. TAYLER. What did Mr. Quigg say?

Mr. DOBLIN. All right; "can't help it," or something like that. I apologized. As a matter of fact I said "I am awful sorry, Mr. Quigg, that Lessler feels that way."

Mr. TAYLER. Did you see Mr. Quigg again in connection with this subject?

Mr. DOBLIN. Yes; he asked me whether he could see Lessler, and I said I would find out. I think I telephoned Mr. Quigg and told him that Mr. Lessler would see him any time he felt disposed; if he would call him up on the phone he could talk with Mr. Lessler.

Mr. TAYLER. Is that all? Is that the only time you saw Mr. Quigg in relation to this?

Mr. DOBLIN. Yes, sir. In relation to the money proposition?

Mr. TAYLER. Yes.

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. And in relation to the Holland torpedo-boat business; did you see him at any other time?

Mr. DOBLIN. I called at his office.

Mr. TAYLER. When?

Mr. DOBLIN. I think a week ago. I don't know—it was week before last. It was a week before last week.

Mr. TAYLER. Did you have a talk with him then about it?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. Tell us what that conversation was.

Mr. DOBLIN. I called him up on the telephone before that, and I told him that I had a friend who was very close to Mr. Lessler, and I thought we might be able to get this thing done without any financial consideration. I felt as though if Mr. Lessler would help this thing along, it would do him some good politically. Mr. Quigg was a man of political influence in New York, and I know of his power in regard to political matters. He was friendly disposed to me, and I was very friendly disposed to bring about an amicable way of assisting him, and I suggested to Mr. Obermeier, who was an attorney, who was coming down here to have a talk with Mr. Quigg and see whether Mr.

Lessler could not be persuaded to think that the boat proposition was all right irrespective of any financial proposition. We went there and Mr. Obermeier said he would try and talk with Mr. Lessler and see if he could not try and persuade him to feel friendly toward this proposition.

Mr. TAYLER. Did Mr. Quigg go with you to Mr. Obermeier?

Mr. DOBLIN. No, sir. I went with Mr. Obermeier to Mr. Quigg.

Mr. TAYLER. Well, what occurred there? What did you say? What did Mr. Quigg say about it?

Mr. DOBLIN. Mr. Quigg said he was not interested in this thing personally; that there was some friend of his that he would very much like to aid if he could; that he was a gentleman of influence, and he would like very much to aid him if he could. He said if Mr. Obermeier could help the matter he would be very pleased to have it done.

Mr. TAYLER. Is that all that occurred at that time?

Mr. DOBLIN. That is all that occurred.

Mr. TAYLER. That is the last time you saw him in this relation?

Mr. DOBLIN. Yes; until I saw him here.

Mr. TAYLER. Do you recall anything else, Mr. Doblin, that you have had no opportunity to speak of, that you want to mention now?

Mr. DOBLIN. No. That is, between Mr. Quigg——

Mr. TAYLER. Yes; I mean in relation to this subject. Have you seen anybody else in connection with the Holland torpedo boat?

Mr. DOBLIN. I met a gentleman one night at the Waldorf-Astoria who I understood was Mr. Frost. There was nothing said. I was seated at a table, and I don't know how the subject came up, but Mr. Frost said that this man Lessler was a Congressman, and he was kind of sorry he felt that way toward this proposition. There was nothing else said.

Mr. TAYLER. Who introduced you to Mr. Frost?

Mr. DOBLIN. I think it was a man named Van Wyck—no relation to the mayor.

Mr. TAYLER. And that is all the conversation that occurred at that time with Mr. Frost?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. How did the subject of Mr. Lessler arise?

Mr. DOBLIN. I think there was some man I knew came along and I was introduced as a man who knew Lessler very well, and that I was associated with him in politics. The question came up as to the Holland torpedo-boat proposition and Mr. Frost said he was opposed to it.

Mr. TAYLER. Who was opposed to it?

Mr. LESSLER. Mr. Tayler, I would like you to ask if Mr. Doblin has appeared before a subcommittee of the Naval Committee.

Mr. TAYLER. Mr. Doblin, you appeared two or three days ago before a subcommittee of the Naval Affairs Committee, voluntarily, or at the request of the Naval Affairs subcommittee?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. And narrated your account of these transactions, did you?

Mr. DOBLIN. Yes, sir. That is where I was told by one of the gentlemen of the committee that I must answer; so I might as well answer here. At that time I was assured by the members of the committee that this was all a matter of confident investigation, and owing to that fact I simply answered as I was directed. As I said to the chairman, that I was then under a verbal invitation, or at least a voluntary request to appear, and I at that time said that I didn't like to answer any questions here because I was in a peculiar position. Some gentleman of the committee whose name I don't know——

Mr. WHEELER. I told you you would have to answer or the House of Representatives would make you answer.

Mr. DOBLIN. And I said, "Gentlemen, under the circumstances, as long as I have got to answer these questions, I will answer them, but if I don't have to, I don't want to talk." I was not given an opportunity to ask advice or anything on this situation, which was very unfortunate, I think.

Mr. TAYLER. You were told you were not compelled to answer questions before that subcommittee?

Mr. DOBLIN. Yes, sir; and that this gentleman arose and he might as well have took a gun and said, "Here, give up, or we will kill you."

Mr. BUTLER. Mr. Chairman, I would like to have this statement taken down. The witness should be told of the effect of his testimony upon himself. That *was not done.* I said to him when he was present before this subcommittee that,

so far as I was concerned, what he said would be communicated to no one except to the full committee; that he would not be called upon to repeat it, so far as I was concerned, unless this investigation was ordered.

Mr. RIXEY. Mr. Chairman, I would like to ask a question. Mr. Doblin, did you not state before the subcommittee——

Mr. TAYLER. Mr. Chairman, it occurs to me that all this should be done in order and without confusion. It would probably be better for the members of the committee to interrogate the witness on their own responsibility and in their own manner. I know that up to a certain point it is very useful, and indeed, economical of time, because there is no place where worse confusion arises in the committee where the members all want to talk and ask questions at the same time; but I think that Mr. Rixey, for instance, should address the chair and say, "Mr. Chairman, I should like to interrogate the witness." Thereupon, he proceeds to interrogate the witness ad libitum, and when he concludes, a similar permission could be given by the chair to other members.

Mr. RIXEY. That is agreeable to me. I want to ask two or three questions.

Mr. TAYLER. Mr. Rixey, I think you are quite as competent as I am, to say the least.

Mr. RIXEY. Mr. Doblin, I will ask you to refresh your memory as to your own testimony before the subcommittee. Did you not state before that subcommittee that you said specifically to Mr. Lessler that you were authorized by Mr. Quigg to state that if he would support the submarine boat proposition, there was $5,000 in it for him and $1,000 for yourself?

Mr. DOBLIN. I don't know as to that specific language that I used to Mr. Lessler. I might have in the committee used that language specifically.

Mr. RIXEY. Now, Mr. Tayler has interrogated you as to what position you held in New York since the beginning of 1902. Will you state what political positions you have held in the city of New York for the past ten years?

Mr. DOBLIN. The Hon. James A. Roberts, comptroller of the State of New York, appointed me an excise agent during the year 1896. It may have been earlier than that. The Raines law legislated me out of my office. I was appointed to look after boats.

Mr. MEYER. To look after what?

Mr. DOBLIN. Steamboats—the excise law on steamboats. When I was legislated out, Mr. Roberts appointed me or designated me as an inspector of race tracks, which position I held until the bill was passed legislating me out. I was appointed a corporation examiner; in other words, I was assigned by the department at Albany to a local bureau in the World Building, looking after delinquent corporations which were to be examined, in practically supplemental proceedings. When Mr. Morgan became comptroller of the State I held that position, and when W. B. Asbury was made deputy tax collector my stipend was left out, and I was left out. In the early part of 1899 the honorable chief of the census, Merriam, I think his name is, appointed me a special agent in the department of enumeration for the county of New York.

Mr. TAYLER. That was in 1899?

Mr. DOBLIN. 1899, yes, sir; for the 1900 census; which position I held until the census went out of operation. Then I was appointed a deputy superintendent of elections, which I held on and off at various times since that.

Mr. RIXEY. Under whom were you deputy commissioner of elections?

Mr. DOBLIN. General McCullagh.

Mr. RIXEY. On whose recommendation were you appointed to that office?

Mr. DOBLIN. Originally.

Mr. RIXEY. Give me the indorsements at different times.

Mr. DOBLIN. In that district, John H. Gaynor, port warden of the State of New York—one of them. I think my original indorsement held all the way through.

Mr. RIXEY. Are you still deputy commissioner of elections?

Mr. DOBLIN. No, sir.

Mr. RIXEY. When were you removed, or when did you cease to be such?

Mr. DOBLIN. I think we were removed by statute on the 1st of January. I am sworn in as a deputy superintendent for this year because we are going to have a special election in New York; and as yet I have not been called upon——

Mr. RIXEY. You have had quite a race with the legislature?

Mr. DOBLIN. I don't know.

Mr. RIXEY. When was the last appointement, Mr. Doblin?

Mr. DOBLIN. The 5th of January, for ten days.

Mr. RIXEY. Now, Mr. Doblin, you stated in answer to a question that after you had had the interview with Lessler, and reported to Mr. Quigg, at some time subsequent Mr. Quigg wanted to know when he could see Mr. Lessler, and you stated to him that he would see him at any time.

Mr. DOBLIN. After I had asked Mr. Lessler.

Mr. RIXEY. Were you authorized by Mr. Lessler to state that he would see Mr. Quigg at any time after that?

Mr. DOBLIN. Yes, sir; I called him up on the telephone after I had asked him if Mr. Quigg could talk with him.

Mr. RIXEY. After you had asked who?

Mr. DOBLIN. Mr. Lessler.

Mr. RIXEY. How long was that after you had communicated to Mr. Lessler that Mr. Quigg authorized you to offer this bribe?

Mr. DOBLIN. At the beginning of the next week.

Mr. RIXEY. And Mr. Lessler told you he would talk with Mr. Quigg at any time. Did you tell Mr. Lessler what Mr. Quigg wanted to talk with him about?

Mr. DOBLIN. No, sir; I did not know; he didn't tell me.

Mr. RIXEY. He did not tell you, but had he ever told you of anything else but the submarine boat?

Mr. DOBLIN. No, sir.

Mr. MUDD. Mr. Chairman, I would like to ask a question; may I ask it now?

The CHAIRMAN. Yes.

Mr. MUDD. I understand the witness to say he called to see Mr. Lessler between the 10th and 18th of December; is that right?

Mr. DOBLIN. Somewhere between there.

Mr. MUDD. You said it was on Saturday morning?

Mr. DOBLIN. Is that a December calendar?

Mr. MUDD. Yes; you said somewhere between the 10th and 18th.

Mr. DOBLIN. It was probably the 12th.

Mr. MUDD. You say you saw Mr. Lessler on Saturday morning?

Mr. DOBLIN. Yes; probably the 13th.

Mr. MUDD. Do you know how long after that Mr. Quigg saw Mr. Lessler?

Mr. DOBLIN. I said I believed it was the beginning of the next week.

Mr. MUDD. You do not know what date?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. I want to ask a question or two of the witness. The date you have now fixed, December 13, is the date you saw Mr. Quigg?

Mr. DOBLIN. I think that was the date.

Mr. TAYLER. He has not fixed any date.

Mr. DOBLIN. I think it was.

Mr. ROBERTS. December 13 being the date you think you saw Mr. Quigg, is that the time when Mr. Quigg made the offer to you to go and see Mr. Lessler and offer him the $5,000, when he gave you authority to make that offer?

Mr. DOBLIN. You said the 13th?

Mr. ROBERTS. No; you fixed this date as the date of your interview with Mr. Quigg.

Mr. DOBLIN. That was on Friday, as my memory serves me.

Mr. ROBERTS. Then you saw Mr. Quigg on Friday?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. And that was the 12th?

Mr. DOBLIN. I think so.

Mr. ROBERTS. And Friday, the 12th, Mr. Quigg authorized you to make a proposition to Mr. Lessler to make the offer of $5,000?

Mr. DOBLIN. It was just as I said. We were talking on marine boats. We were talking about Lessler, and he said there was $5,000 in it, and he said "I forgot about you. I will be able to fix it for a thousand for you, but you call me up at 3 o'clock, and I will let you know as to that."

Mr. ROBERTS. That is the first time Mr. Quigg ever mentioned money to you in connection with the Holland submarine boat, is it not?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. Has Mr. Quigg ever asked you to perform any other service for him at any other time?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. This is the only service he ever asked you to perform?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. Now, this Friday, the 12th of December, did Mr. Quigg say to you that the Roberts bill was pending in Congress, calling for ten submarine boats?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. And it was from Mr. Quigg that you learned that a measure was pending, and from him you learned the title of the bill?

Mr. DOBLIN. That is specific. I had heard of submarine boats before. As I told you, Mr. Lessler had said he had paid a visit to the boat.

Mr. ROBERTS. No, I am asking you about the specific measure for which the bribe was offered to procure Mr. Lessler's vote. This was on Friday, December 12, then, that Mr. Quigg told you the Roberts bill was pending, as you have before stated.

Mr. DOBLIN. We had already disposed of the specific thing in our conversation.

Mr. ROBERTS. That is, on this day?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. What I am getting at is this: This was the time when Mr. Quigg told you that a specific proposition called the Roberts bill was pending?

Mr. DOBLIN. I think in the early part of the conversation.

Mr. ROBERTS. That is the first you knew that any specific legislation was pending in this session of Congress?

Mr. DOBLIN. I heard it said that there was a bill in for ten boats, and Lessler and his secretary, I think, were invited to take a trip on the boat.

Mr. ROBERTS. When?

Mr. DOBLIN. That was some time in the last session.

Mr. ROBERTS. And you heard then that there was a specific bill in the last session for a number of boats?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. I am interrogating you when you first learned that a specific proposition was pending in this Congress for that number of boats. Am I right in saying that it was on December 12, Friday?

Mr. DOBLIN. It was at the time Mr. Quigg and I had the conversation.

Mr. ROBERTS. And that was December 12?

Mr. DOBLIN. I think so.

Mr. ROBERTS. And that was the first conversation Mr. Quigg had had with you about this alleged bribe?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. When you went to see Mr. Lessler after that, did you say anything to Mr. Lessler to the effect that you would get any compensation for your services in the matter?

Mr. DOBLIN. At first; no, sir.

Mr. ROBERTS. Did he at any time inform you that you would get the compensation?

Mr. DOBLIN. I think one afternoon we walked up Broadway, and I said, "I will be all right when I get through with it."

Mr. ROBERTS. When was that, with relation to the time you brought the offer to him?

Mr. DOBLIN. I think it was some time in Christmas week.

Mr. ROBERTS. It was a week or more after you had carried the bribe to him from Mr. Quigg?

Mr. DOBLIN. I didn't carry the bribe. I only had the conversation in regard to it.

Mr. ROBERTS. I am speaking of the bribe, but I will say the money, if that suits you.

Mr. DOBLIN. It does not suit me.

Mr. ROBERTS. It was a week or more after you had carried Mr. Quigg's alleged offer to Mr. Lessler that you told Mr. Lessler you would be all right.

Mr. DOBLIN. I think, in that neighborhood.

Mr. ROBERTS. You say you saw Mr. Quigg a week before the last week. That would be substantially two weeks ago.

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. Did Mr. Quigg send for you?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. Has Mr. Quigg ever sent for you since you reported to him that the thing would not work?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. And any interview you have had with Mr. Quigg since has been of your own seeking?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. Did any one else ever offer you any money or any consideration for procuring Mr. *Lessler's favorable* influence?

Mr. DOBLIN. No, sir.
Mr. ROBERTS. You stated you met Mr. Frost one night at—what hotel was it?
Mr. DOBLIN. The Waldorf-Astoria.
Mr. ROBERTS. Can you fix the date when you met him?
Mr. DOBLIN. It was some time after that.
Mr. ROBERTS. After what?
Mr. DOBLIN. Prior to the 25th of December, some time before Christmas.
Mr. ROBERTS. It was before Christmas that you met him?
Mr. DOBLIN. Yes, sir.
Mr. ROBERTS. You are positive about that?
Mr. DOBLIN. Yes, sir.
Mr. ROBERTS. What time of the day?
Mr. DOBLIN. Oh, it was in the evening—11 o'clock.
Mr. ROBERTS. Did you meet him there by appointment?
Mr. DOBLIN. No, sir; I never——
Mr. ROBERTS. Just answer my question.
Mr. DOBLIN. No, sir.
Mr. ROBERTS. Did you go there expecting to meet him?
Mr. DOBLIN. No, sir.
Mr. ROBERTS. Are you positive as to who was present when you did meet him?
Mr. DOBLIN. No. There was quite a crowd there. I occasionally meet friends of mine there. I had walked from the Fifth Avenue Hotel up to the Waldorf, and as a matter of fact I was going home. This was about half past 10 or 11 o'clock.
Mr. ROBERTS. Is it not a fact that you and another gentleman were sitting at a table when Mr. Frost came along?
Mr. DOBLIN. We may have been.
Mr. ROBERTS. And that there were only three present?
Mr. DOBLIN. That is all; yes, sir.
Mr. ROBERTS. You are sure about that, are you?
Mr. DOBLIN. Yes, sir.
Mr. ROBERTS. Can you not fix the identity of this third person?
Mr. DOBLIN. It may have been George Cromwell. I don't know. Yes; I guess it was.
Mr. ROBERTS. Who is George Cromwell?
Mr. DOBLIN. He is the president of the borough of Richmond.
Mr. ROBERTS. A man of reputation in New York?
Mr. DOBLIN. Yes, sir.
Mr. ROBERTS. Have you any thought in your mind that Mr. Cromwell had prearranged this interview with Mr. Frost?
Mr. DOBLIN. No, sir.
Mr. ROBERTS. I want to ask one other question. When you were before the subcommittee, were you promised any immunity if you would tell freely what you knew?
Mr. DOBLIN. Why, just as I said, the gentleman stated I must answer.
Mr. ROBERTS. But they did not agree to protect you in any shape or manner?
Mr. DOBLIN. I didn't hear it.
Mr. ROBERTS. You knew if you testified it would be on your own responsibility, with no hope of protection held out?
Mr. DOBLIN. Yes, sir. What I mean is that I understood the committee were protecting everybody in the matter. At that time, just as I said before, it was given to me to understand that there was nothing to this; they only wanted to know where I was standing on it.
Mr. ROBERTS. Mr. McCullagh's name has been brought into the matter?
Mr. VANDIVER. Before we leave that point, let me ask a question on that.
Mr. ROBERTS. Yes.
Mr. VANDIVER. You said a few moments ago, and you say in substance practically the same thing now, that you were assured this was only for the committee in confidence, when you gave this testimony. Now, I would like you to state who it was, whether it was the full subcommittee or any particular member of it, who gave you that assurance?
Mr. DOBLIN. They all talked up. There were six of them present.
Mr. LESSLER. Mr. Butler said that, but I understood Mr. Butler only to be speaking for himself.
The CHAIRMAN. I heard what the others said. Let Mr. Taylor make a statement.

Mr. TAYLER. Whenever the right time comes I can say just what occurred there as it is in my mind. I can make that statement now. The statute provides, in the first place, as to Congressional investigations, that no person can be permitted to refuse to answer a question because it may tend to bring him into contempt or infamy; and in the second place that no testimony given by any witness before a Congressional committee can be used against him in any criminal prosecution. So in those two respects the usual shields thrown about a witness are taken away from him. Of course the constitutional right remains. The witness Doblin appeared before this subcommittee, which was purely informal, and whose action was informal. It had no power to subpœna witnesses and did not subpœna any witnesses, but Mr. Lessler stated that he would send for Mr. Doblin and he was sure he would come. Mr. Doblin did come, on receipt of a telegram, promptly. When he appeared before the committee, we expressed our gratitude to him for having so promptly come, without any authority of the House to demand his presence. We stated we had no power whatever to compel him to answer any questions, but that if he did not respond to our inquiry we would be compelled to go to the House and get authority of the full committee to investigate, and then such questions as he could be compelled to answer under the law and the power of the House, he would be compelled to answer. He said that he had nothing to conceal, and that he was perfectly willing to make his disclosure then in that informal way before that committee, which had no power to compel his attendance. I think that is about what occurred before the members of the subcommittee.

Mr. WHEELER. Mr. Taylor is doing the witness an injustice, which is unintentional, I am sure; because when the chairman stated to him that he was not required to answer, that he had no power to compel him to answer, and he indicated he did not want to answer, I said to him that unless he did answer I would certainly ask the authority of the House to compel him to answer. He said "Well, if I have got to tell you, I would like to tell it all."

Mr. LESSLER. I would like to add, for the sake of the record, that when I appeared before the subcommittee, it was agreed that nothing that went on before that committee should be given out to the public. I should like to add also that at the last session of the full committee, in executive session, the same resolution was passed, that nothing was to be given out in public.

Mr. WHEELER. Unless the publication was ordered by the House.

Mr. ROBERTS. I would like to continue my investigation of the witness. It will be very brief.

The CHAIRMAN. All right, Mr. Roberts.

Mr. ROBERTS. I would like to ask you if you have read the testimony that was given before this committee yesterday, or any part of it?

Mr. DOBLIN. I read a part of it; yes, sir.

Mr. ROBERTS. When?

Mr. DOBLIN. This morning.

Mr. ROBERTS. Mr. McCullagh's name has been brought into this matter, and it has transpired that you are, or have been, one of his employees.

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. I want to ask you if Mr. McCullagh has ever requested you to interfere or intercede with Mr. Lessler in behalf of the Holland submarine boat?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. Has Mr. McCullagh ever had any conversation with you in regard to the Holland submarine boat?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. And you have absolutely no request from him in regard to that topic?

Mr. DOBLIN. No, sir. I think Mr. McCullagh never knew that I knew Lessler politically, excepting that during that election I was up at his office with a case of arrest in one of the election districts.

Mr. ROBERTS. Has Mr. McCullagh asked you to see anybody else in regard to this matter?

Mr. DOBLIN. I never spoke to Mr. McCullagh about it.

Mr. TAYLER. Mr. Chairman, I will ask the stenographer to add what I am about to say to the statement I just made: "and there was no request made by Mr. Doblin to the subcommittee for immunity from prosecution, no intimation of any such immunity on the part of the subcommittee, and so far as I know it did not enter into the mind of anybody there. It was never touched upon by anybody, either directly or indirectly—that phase of the subject."

Mr. WHEELER. I understand, Mr. Doblin, you do not undertake to fix with absolute certainty the days upon which you had the conversation with Lessler or with Quigg. Am I correct?

Mr. DOBLIN. Yes, sir.

The CHAIRMAN. Now, Mr. Nicoll.

Mr. NICOLL. Mr. Doblin, in the course of your answers to Mr. Tayler, you stated that Mr. Quigg knew that you were very intimate with Mr. Lessler.

Mr. DOBLIN. I did not so understand it.

Mr. NICOLL. You did not so testify?

Mr. DOBLIN. I say I do not understand that I did testify that I knew Mr. Quigg knew that I was.

Mr. NICOLL. Do you recollect testifying that you were in fact very intimate with him?

Mr. DOBLIN. Politically, yes. I have done whatever is necessary to aid him in political matters.

Mr. NICOLL. Were you not socially intimate with him also?

Mr. DOBLIN. Yes; I went to his house.

Mr. NICOLL. You dined there?

Mr. DOBLIN. Yes.

Mr. NICOLL. Were you introduced to his family?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. You had other social engagements with him?

Mr. DOBLIN. No, sir; I don't quite understand what you mean by social engagements.

Mr. NICOLL. Going to the theater or——

Mr. DOBLIN. I have been to the theater with him once.

Mr. NICOLL. Had you no other business relations with him except in the matters of these receiverships which you speak of?

Mr. DOBLIN. That is all.

Mr. NICOLL. Only those two?

Mr. DOBLIN. That is all.

Mr. NICOLL. You are not interested in any kind of business of any sort except those? Is that it?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. But he was not interested in those, was he?

Mr. DOBLIN. No, sir.

Mr. NICOLL. I understood Mr. Lessler to say yesterday that those were procured by him for you as a favor.

Mr. DOBLIN. He asked, I think, Commissioner Alexander if he could see his way clear to appoint me, and I think he asked Judge McCarthy, in New York. One of the receiverships I was appointed to in the city court, my bonds were on file. I was notified by the bond company that the premiums was due, but I never heard anything more from the court regarding it.

Mr. NICOLL. Were you ever appointed receiver?

Mr. DOBLIN. That is, I was appointed, and filed my bond, but I received nothing in the matter.

Mr. NICOLL. You never received anything as receiver?

Mr. DOBLIN. That is right.

Mr. NICOLL. Did you ask Mr. Lessler for permission to occupy his office in your capacity as receiver?

Mr. DOBLIN. Yes; I asked him one time if he could have a desk there. He says "No; you can come in here. You needn't have any desk."

Mr. NICOLL. When was that, Mr. Doblin?

Mr. DOBLIN. It was away last March.

Mr. NICOLL. What did he say?

Mr. DOBLIN. He said "No; you don't need any desk here."

Mr. NICOLL. What permission did he give you, if any, to use the office?

Mr. DOBLIN. I could use his desk.

Mr. NICOLL. You could use his desk?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And after he gave you that permission did you use his desk?

Mr. DOBLIN. His boy there had a key to the desk, and any time that I went in there and I wanted to sit down and read or write, I could.

Mr. NICOLL. And did you?

Mr. DOBLIN. I did; yes.

Mr. NICOLL. Take the period from the time Congress adjourned last summer until Congress assembled in December. You were in and out of the office there?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Most every day?
Mr. DOBLIN. Pretty near.
Mr. NICOLL. Except during the period when you were acting as superintendent.
Mr. DOBLIN. Superintendent of elections.
Mr. NICOLL. That kept you away?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Did you spend most of the day in the office, except at that time?
Mr. DOBLIN. No; not most of the day. I was in and out.
Mr. NICOLL. You were in and out?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. You saw Mr. Lessler every day?
Mr. DOBLIN. When he was in town. During that time he went to Chicago.
Mr. NICOLL. Was he in town most of the period between the adjournment and the assembling of Congress?
Mr. DOBLIN. Most of the summer; yes, sir.
Mr. NICOLL. Did you talk with him at different times about various subjects which interested you both?
Mr. DOBLIN. Well, politics and other things.
Mr. NICOLL. Did you not know, from your conversations with Mr. Lessler, about the Holland bill which had been before Congress at its last session?
Mr. DOBLIN. Yes; I heard him say that he was going on a visit to where the submarine boats were.
Mr. NICOLL. I do not mean that. You know, as a matter of fact, do you not, that there was a bill pending before the committee at the last session of Congress?
Mr. DOBLIN. I heard of it.
Mr. NICOLL. Did you hear of it from Mr. Lessler?
Mr. DOBLIN. No, sir.
Mr. NICOLL. Not from him?
Mr. DOBLIN. I might have overheard him say so.
Mr. NICOLL. Yes?
Mr. DOBLIN. I might have.
Mr. NICOLL. Did not you and he talk about the fact he had taken an unfavorable view of these submarine boats; did he not explain that he was against the purchase by the Government of submarine boats?
Mr. DOBLIN. I think he did.
Mr. NICOLL. I mean during your talk.
Mr. DOBLIN. I think he did. I think I heard him say one day that bill was killed. It was dead.
Mr. NICOLL. About when was that?
Mr. DOBLIN. It was some time during the last session.
Mr. NICOLL. That is, before Congress adjourned last summer?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Did he not tell you about his talk with Captain McCullagh—Superintendent McCullagh?
Mr. DOBLIN. Yes; he did.
Mr. NICOLL. He told you Mr. McCullagh wanted him to vote for the bill?
Mr. DOBLIN. I understood he talked to him with reference to the torpedo-boats bill.
Mr. NICOLL. In Washington?
Mr. DOBLIN. In Washington.
Mr. NICOLL. Did he not tell you that McCullagh has asked him to vote for it, if he was inclined to do so?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Did he undertake to repeat the conversation, as he recollected it?
Mr. DOBLIN. I think in changing his correspondence from his case that he had—the letter in some way—I saw a letter regarding it, or a telegram or something, asking Lessler if McCullagh could see him.
Mr. NICOLL. But after McCullagh's visit and their conversation here in Washington, did he tell you the substance of what he and McCullagh talked about?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. He told you he could not comply with McCullagh's wishes. Is that it?
Mr. DOBLIN. I did not discuss it with him.
Mr. NICOLL. You knew, did you not, last summer, of his antagonistic attitude toward the Holland boat proposition?
Mr. DOBLIN. *Not exactly; no.*

Mr. NICOLL. After all these conversations did you not know he was against the purchase by the Government of Holland boats?

Mr. DOBLIN. I so understood it; yes.

Mr. NICOLL. Why, then, did you say to Mr. Tayler, in response to his questions, that when you had your first conversation with Mr. Quigg you knew nothing of Mr. Lessler's attitude toward the Holland boat proposition?

Mr. DOBLIN. What I meant by that was I didn't know anything from Mr. Quigg regarding Lessler's attitude.

Mr. NICOLL. Mr. Tayler asked you, as I recollect it, whether or not, when you came to talk with Quigg, you knew of the hostility of Mr. Lessler toward the proposition to purchase by the Government some of the Holland torpedo boats, and you said you did not. Do you not so recollect?

Mr. DOBLIN. I may have said that to Mr. Quigg. I may have said that.

Mr. NICOLL. To Mr. Quigg?

Mr. DOBLIN. I may have said it; I don't know.

Mr. NICOLL. As a matter of fact, you did know of his hostility, did you not?

Mr. DOBLIN. Yes.

Mr. NICOLL. Mr. Doblin, what was the earliest date in December that you recollect that you saw Mr. Quigg at his office?

Mr. DOBLIN. It may have been early in December.

Mr. NICOLL. Early in December?

Mr. DOBLIN. Yes.

Mr. NICOLL. Do you not recollect visiting Mr. Quigg's office early in December, and having some conversation with him about your position on the staff of Superintendent McCullagh?

Mr. DOBLIN. Oh, yes.

Mr. NICOLL. And when was that?

Mr. DOBLIN. That was in December. It was right after the election. It may have been the middle of November.

Mr. NICOLL. Did you go to his office then?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Yourself?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Of your own accord?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And saw him?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And spoke to him about the fact that by the 1st of January you were to go out of office?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And did you ask him to do what he could with Mr. McCullagh to keep you in office?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. As one of his limited staff, after the 1st of January?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And what did he say?

Mr. DOBLIN. He said he would do what he could.

Mr. NICOLL. Now, did he not say to you that he was really out of politics now, and that that was a matter that would have to be done by Mr. Morris, who was the chairman of the committee?

Mr. DOBLIN. I don't remember of his saying that.

Mr. NICOLL. Did he not say, as a matter of fact, that he could not interfere in these matters now because he was really out of politics?

Mr. DOBLIN. He may have said that.

Mr. NICOLL. Have you a recollection of it, is the question?

Mr. DOBLIN. No, sir.

Mr. NICOLL. You have no recollection of it?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Was that all the conversation you had with him on this visit in November?

Mr. DOBLIN. I think we talked about—we didn't have any conversation outside of myself. That was all—as to my position. We didn't talk about anything else.

Mr. NICOLL. Now, was not this conversation had upon the day you went in to see him, and you and he went out to lunch together?

Mr. DOBLIN. I beg your pardon.

Mr. NICOLL. Was not this conversation about keeping you on McCullagh's staff had on the day when you went in to see him, and you went out to lunch together?

Mr. DOBLIN. No, sir.

Mr. NICOLL. It was not?

Mr. DOBLIN. No, sir.

Mr. NICOLL. At what time in the day, of the day you went out to lunch, did you get to his office?

Mr. DOBLIN. About 12 o'clock.

Mr. NICOLL. Was he in?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Did you go into his private room?

Mr. DOBLIN. I think the boy went in, and when he came back he said "Mr. Quigg will see you in a moment."

Mr. TAYLER. Mr. Nicoll, will you suspend a moment? Mr. Chairman, Mr. Lessler has an engagement, he says, in New York, and he has asked some of us here if there is any reason why he should not go. I suppose if he feels he ought to go the members of the committee would have no objection to his going. He may be wanted before the committee again.

Mr. LESSLER. I will be back Monday morning.

Mr. TAYLER. He will be here to be examined, if required.

The CHAIRMAN. I do not know of any objection why he should not go.

(Mr. Lessler remained in the room.)

The last question and answer were read by the stenographer.

Mr. NICOLL. Did you go in to see him?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Had you any conversation there?

Mr. DOBLIN. No, sir.

Mr. NICOLL. You went out together?

Mr. DOBLIN. Well, he said, "Have you had your lunch?" I said, "No." He said, "Come along," and we went out.

Mr. NICOLL. Did you not say anything to him on that occasion about wanting to stay in McCullagh's employ?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Not a word?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Did he say anything more to you on that occasion except, "Have you had your lunch? If not, come on."

Mr. DOBLIN. At 100 Broadway?

Mr. NICOLL. Yes; that is this occasion we are talking about.

Mr. DOBLIN. No, sir.

Mr. NICOLL. Only that?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Did you go down in the elevator?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And you went down on what street?

Mr. DOBLIN. Pine street.

Mr. NICOLL. How far is it from there to the place where you say you went to lunch?

Mr. DOBLIN. About a block and a half or two blocks.

Mr. NICOLL. During that trip, did he talk with you at all about any subject?

Mr. DOBLIN. During the walk?

Mr. NICOL. Yes; while you were walking over.

Mr. DOBLIN. No, sir.

Mr. NICOLL. Nothing at all?

Mr. DOBLIN. That is, I don't remember anything outside—we may have talked about the weather, that it was a cool day.

Mr. NICOLL. Just the ordinary talk?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Then you got to this place and sat down to lunch?

Mr. DOBLIN. Yes, sir.

Mr. NICOL. What was the first thing he said to you then?

Mr. DOBLIN. "Doblin, do you know Lessler?" I said, "Pretty well." "What have been your relations with him?" I told him I was——

Mr. BUTLER. Excuse me. Did he ask what your relations with him had been?

Mr. DOBLIN. Yes, sir; I told him I had been connected with his campaign, and aided him the best I could; we were very friendly; he was very friendly dis-

posed to me; and he said something about the bill that was pending in the last session, and I said, "I understand Lessler was against it." He said, "Yes, I know it." I think he said, "How close are you with Lessler? How close are you?" I said I was pretty intimate with him and very friendly, and "I feel as though I could talk to him on any proposition."

Mr. NICOLL. Well, go on and give the conversation as you recall it.

Mr. DOBLIN. He said "Some friends of mine are interested in this torpedo-boat proposition." I think he said, "A friend of mine is interested in this boat proposition;" and he said in substance, "There is $5,000 in it, $1,000 for you—I don't know about the $1,000; I will let you know about that," but he said, "There will be $5,000 in it."

Mr. NICOLL. Did he ask you to go and see Lessler and ask him to take the $5,000?

Mr. DOBLIN. I said I would have a talk with Lessler about it.

Mr. NICOLL. Did he ask you to go and see Lessler?

Mr. DOBLIN. That is what he was talking about.

Mr. NICOLL. Did he ask you in so many words to go and see him?

Mr. DOBLIN. I think he did.

Mr. NICOLL. Do you swear to that.

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. He did ask you to go and see him?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. I understand you to say that later on you were walking up town with Lessler after you had been to see him, some time later, and you said to him, "When I get my money it will be all right." What did you mean by that?

Mr. LESSLER. Mr. Chairman, I ask that the minutes be referred to, to show that.

Mr. NICOLL. There is no doubt about it; I have taken it down.

Mr. LESSLER. You may be mistaken.

Mr. NICOLL. He said: "One afternoon I was walking up town with Mr. Lessler, and I said, 'I will be all right when I get my money.'"

Mr. LESSLER. That is different.

Mr. DOBLINS. Flippantly, I said, "I will be all right." I think I was broke at the time. I guess I was talking, trying to make a "touch."

Mr. NICOLL. A touch on whom?

Mr. DOBLIN. I asked Mr. Lessler to lend me some money.

Mr. NICOLL. What did you mean when you said: "I will be all right when I get my money?"

Mr. LESSLER. I object to that. He didn't put it that way. If Mr. Nicoll will read what he has written down exactly, and ask the witness, I have no objection.

Mr. NICOLL. Had you any reference to this particular money you have been telling the committee about to-day, in that conversation?

Mr. DOBLIN. I may have had.

Mr. NICOLL. You did?

Mr. DOBLIN. I may have had.

Mr. NICOLL. Well, did you?

Mr. DOBLIN. At that time, I don't call to mind really what I meant. I said: "It will be all right when I get my money."

Mr. NICOLL. As I understand it, Mr. Doblin, you went to see Mr. Lessler at his office the very next day from the time after you had had this talk with Mr. Quigg. Is that a fact?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And what exact words did you say to him?

Mr. DOBLIN. Won't you please read that question?

(The last two questions were read by the stenographer.)

Mr. DOBLIN. I had been sent for by Mr. Quigg. First, I asked him about the Holland proposition, if that was likely to come up again. He said it might. He said he had been sent for by——

Mr. NICOLL. He said what? "It might."

Mr. DOBLIN. He said "It might."

Mr. NICOLL. And what did you say then?

Mr. DOBLIN. I said, "I have got a telephone from Mr. Quigg, and I saw him yesterday;" and I told him the conversation I had with reference to it.

Mr. NICOLL. What did you say?

Mr. DOBLIN. I said——

Mr. NICOLL. What did you say to Lessler?

Mr. DOBLIN. I told him Quigg had asked about it; that is, said it was likely to come up again, and I said there would be $5,000 in it.

Mr. NICOLL. You said to him, "There will be $5,000 in it?"

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Was that all you said to him?

Mr. DOBLIN. I might have told him—I don't remember the exact language, but I referred to the money proposition, that I had been told the day before.

Mr. NICOLL. I want you to tell us as nearly as you can, Mr. Doblin, the exact language that you used when you talked with Lessler.

Mr. DOBLIN. There was five thousand dollars in this.

Mr. NICOLL. What do you call Mr. Lessler?

Mr. DOBLIN. Congressman.

Mr. NICOLL. You call him "Congressman." Did you say "Congressman?"

Mr. DOBLIN. "Congressman, there will be $5,000 in this, Mr. Quigg told me, if you see your way clear to help this proposition.

Mr. NICOLL. And that was all you said to him?

Mr. DOBLIN. That is all I can remember now.

Mr. NICOLL. Did it occur to you, Mr. Doblin, that you were making an improper proposition to Mr. Lessler?

Mr. DOBLIN. Well, I didn't—no; it didn't occur to me.

Mr. NICOLL. It did not?

Mr. DOBLIN. Not at that time, because it was put in a friendly spirit, for the purpose of having Quigg's friendly disposition all around.

Mr. NICOLL. Did you think you were doing a lawful and honorable thing?

Mr. WHEELER. Just a moment. I believe I will object to that. I do not think that is proper cross-examination.

Mr. DOBLIN. I am not a lawyer. I am not able to answer that question. I don't know.

Mr. WHEELER. The committee will say what is the purpose and object of the offer. I submit that is not a proper question on cross-examination.

Mr. NICOLL. Gentlemen, I am in the hands of the committee.

Mr. KITCHIN. Mr. Chairman, it seems to me it is certainly competent to ask the witness whether he knew at that time that was a corrupt proposition that he was carrying to Mr. Lessler.

Mr. WHEELER. I suppose it is a maximum as old as the law that a man must know the effect of his own acts.

Mr. KITCHIN. On cross-examination you can ask the direct question whether he did not know it.

Mr. BUTLER. Mr. Chairman, none of us are children. We can all draw our conclusions from this without any assistance from Mr. Doblin's mind.

Mr. ROBERTS. It seems to me perfectly competent, as bearing on the mental capacity of this witness. If he had such a mental capacity that he could not appreciate——

Mr. TATE. I think that question ought to be allowed to be asked if it is put on the ground suggested by Mr. Roberts.

Mr. ROBERTS. If the witness is of such mental capacity that he does not understand the difference between right and wrong, he is not legally responsible for anything he may say.

Mr. TATE. If it is put upon the ground suggested by Mr. Roberts, I think it is entirely legitimate, and the examination on that line should be allowed to proceed.

The CHAIRMAN. Gentlemen, it is a matter, of course, for the committee to decide. The Chair has no power to rule one way or the other, but it must be done by the action of the committee.

Mr. NICOLL. Where am I? Am I ruled out or in?

Mr. BUTLER. Oh, no; we will not rule it out.

Mr. NICOLL. What I want to find out from you, Mr. Doblin, is this: You have been in public life ten or twelve years, have you not?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. You know, do you not, that it is a felony or crime for a Member of Congress to accept any money to influence his official action? Do you not know that?

Mr. DOBLIN. I never read the law on the subject.

Mr. NICOLL. Do you not know it as a matter of your common knowledge?

Mr. DOBLIN. No, sir; I do not.

Mr. NICOLL. Do you think Members of Congress are permitted to receive money to influence their official action?

Mr. DOBLIN. They might be.

Mr. NICOLL. Do you understand that members of the State legislature are authorized to receive money to influence their official action?

Mr. DOBLIN. I never heard of it?

Mr. NICOLL. You never heard of that?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Do you really mean, Mr. Doblin, that with all these offices you have held, you do not understand it is a criminal offense for every officer, whether of the Government of the United States, or of a State to receive money to influence his official action?

Mr. TAYLER. Do you know, Mr. Nicoll, it is a very serious question whether a Member of Congress is an officer or not. You are putting a very technical question to the witness.

Mr. NICOLL. I did not suppose there was any doubt about the fact that Members of Congress are not permitted to receive money.

Mr. TAYLER. But whether or not a Member of Congress is an officer or not, is a mooted question.

Mr. NICOLL. Let me get along. When you made this proposition to Mr. Lessler, did you believe he had a right to accept this money?

Mr. DOBLIN. I did not believe anything about it. I can't answer that question.

Mr. NICOLL. Did you appreciate the fact, Mr. Doblin, that you were inducing or trying to induce your friend to commit a crime?

Mr. DOBLIN. No, sir; I did not.

Mr. NICOLL. You did not appreciate it?

Mr. DOBLIN. I did not say I did not appreciate it. I didn't think I was.

Mr. NICOLL. You did not think you were?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Why not?

Mr. DOBLIN. Of course I had no opinion in the subject at all. It was just a question of one friend asking another friend to come in and help him.

Mr. NICOLL. But you, as I understood you to say, knew he was opposed to this Holland proposition.

Mr. DOBLIN. I heard him say he was.

Mr. NICOLL. And you were offering him money to change his position on the subject, were you not?

Mr. DOBLIN. I was doing what I was told.

Mr. NICOLL. But did you not understand what you were doing?

Mr. DOBLIN. Of course I understood what I was doing.

Mr. NICOLL. Did you not understand that you were trying to induce him to change his position on the subject?

Mr. DOBLIN. He may have said——

Mr. NICOLL. Will you not answer me as to that?

Mr. DOBLIN. Let him repeat that.

(The question was read as follows):

"Did you not understand that you were trying to induce him to change his position on the subject?"

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Did you not understand you were offering him money as an inducement to change his opinion?

Mr. DOBLIN. Yes, sir; that I was told I would get.

Mr. NICOLL. That you would get for yourself?

Mr. DOBLIN. I have already answered that.

Mr. NICOLL. You did not tell Lessler anything about the thousand dollars that you say you were to get, did you?

Mr. DOBLIN. No, sir.

Mr. NICOLL. All you said to him was that there was $5,000 in it?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Was that it?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. But you meant $5,000 in it for him, did you not?

Mr. DOBLIN. That is what we were talking about.

Mr. NICOLL. Certainly. Well, did it not occur to you that you were insulting Mr. Lessler by making such a proposition to him?

Mr. DOBLIN. Well, coming from where it did, I didn't think—I thought——

Mr. NICOLL. Leave out the question as to where it came from.

Mr. LESSLER. Let him answer.

Mr. NICOLL. Let it go in.
Mr. WHEELER. Put it in. We want it in.
Mr. NICOLL. It did not occur to you that you were insulting him?
Mr. DOBLIN. Not for the minute.
Mr. NICOLL. Did it at any time?
Mr. DOBLIN. It does now.
Mr. NICOLL. When did it first occur to you that you were insulting him?
Mr. DOBLIN. What I mean by that is that, coming from where it did, I felt that the relations would be very friendly all along the line, and I presumed that it was all right.
Mr. NICOLL. Did that feeling cloud your appreciation of the fact that you were doing a wrong, criminal thing?
Mr. DOBLIN. Not at that time.
Mr. WHEELER. Mr. Chairman, I desire to ask the witness a question along this line. Are you through with him, Mr. Nicoll?
Mr. NICOLL. No; but do not hesitate to interrupt me.
The CHAIRMAN. Go right along, Mr. Nicoll, please.
Mr. NICOLL. What were the exact words that Lessler said to you when you made this statement?
Mr. DOBLIN. "Oh, pshaw; there is nothing to that."
Mr. NICOLL. "Oh, pshaw; there is nothing to that?"
Mr. DOBLIN. Yes.
Mr. NICOLL. Had you ever had any previous conversation with him about money?
Mr. DOBLIN. No, sir.
Mr. NICOLL. Before that time?
Mr. DOBLIN. No, sir.
Mr. NICOLL. This was the first time in your acquaintance with him that you had ever talked to him on the subject?
Mr. DOBLIN. Yes; in relation to this particular matter.
Mr. NICOLL. Or any other matter?
Mr. DOBLIN. I borrowed money off of him already.
Mr. NICOLL. I am speaking about money to affect his position in public affairs.
Mr. DOBLIN. No, sir.
Mr. NICOLL. Are you indebted to him now?
Mr. TAYLER. Mr. Nicoll, I do not know that the answer of the witness is quite responsive to your question. I think the question was, "Is this the first time," and it would appear as if his answer was "No, sir," when we all, I suppose, apprehend that his answer was meant to be "It had occurred before."
Mr. NICOLL. The stenographer may read it.
The stenographer read as follows:
"Mr. NICOLL. This was the first time in all your acquaintance with him that you had ever talked with him on that subject?
"Mr. DOBLIN. Yes, sir; in relation to this particular matter.
"Mr. NICOLL. Or any other matter?
"Mr. DOBLIN. I borrowed money off of him already.
"Mr. NICOLL. I am speaking about money to affect his position on public matters.
"Mr. DOBLIN. No, sir."
Mr. TAYLER. There would be a question in reading the cold print as to what the witness meant.
Mr. NICOLL. I understand you to say, Mr. Doblin, that this was the only time you ever had any conversation with Mr. Lessler on the subject of money to be given to him to influence his official action as a Member of Congress. Is that so?
Mr. DOBLIN. Yes.
Mr. NICOLL. Are you now indebted to him?
Mr. DOBLIN. I don't think so.
Mr. NICOLL. You have discharged your debt?
Mr. DOBLIN. I think so. I don't think I owe him anything now.
Mr. NICOLL. Has he accommodated you at different times?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Did Mr. Lessler say anything else to you except "Pshaw, there is nothing to that?"
Mr. DOBLIN. I don't remember him saying anything more about it.
Mr. NICOLL. Had you any more conversation on that point with reference to the Holland boat?

Mr. DOBLIN. No, sir.
Mr. NICOLL. Not another word?
Mr. DOBLIN. No, sir.
Mr. NICOLL. Now, I understand you to say that on the same day you called up Mr. Quigg's office on the telephone, did you not?
Mr. DOBLIN. The same day I talked with Mr. Lessler?
Mr. NICOLL. This very day.
Mr. DOBLIN. No, sir.
Mr. NICOLL. Did you at any time thereafter call up Quigg's office on the telephone?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. When?
Mr. DOBLIN. It was the next Monday.
Mr. NICOLL. Where from?
Mr. DOBLIN. Lessler's office, I guess it was.
Mr. NICOLL. Was Lessler there?
Mr. DOBLIN. I am not sure whether he had got over yet or not.
Mr. NICOLL. Monday was the day when he was usually absent, attending to his professional duties?
Mr. DOBLIN. The session had adjourned then.
Mr. NICOLL. You mean for the holidays?
Mr. DOBLIN. For the recess; yes.
Mr. NICOLL. For the holidays?
Mr. DOBLIN. That was the next Monday following. They had taken a recess.
Mr. NICOLL. Your best recollection, as I understood you to say, in answer to some gentlemen of the committee, was that it was Saturday, the 13th, when you had this conversation with Mr. Lessler.
Mr. DOBLIN. Yes, sir.
Mr. VANDIVER. Friday, the 12th.
Mr. NICOLL. It was Friday, the 12th, that he said he had the conversation with Mr. Quigg?
Mr. VANDIVER. Oh, yes.
Mr. NICOLL. How do you fix the date?
Mr. DOBLIN. That gentleman held the calendar up there and I thought it was on a Friday and Saturday, and I think I had some meat and Mr. Quigg had fish. That is what called it to my mind about Friday.
Mr. NICOLL. You had fish and he had meat?
Mr. DOBLIN. No; he had fish and I had meat.
Mr. NICOLL. You called him up then on the following morning from Mr. Lessler's office?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Did you speak to Mr. Quigg on the telephone?
Mr. DOBLIN. I think it was him.
Mr. NICOLL. You do not know his voice pretty well?
Mr. DOBLIN. I could not say as to that.
Mr. NICOLL. You have heard it a good many times in the course of your life, have you not?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. It is a familiar voice to you, is it not?
Mr. DOBLIN. I don't know. There may be others who talk the same as he does.
Mr. NICOLL. Do you mean to say that you were in doubt as to whom you were talking with on the phone on that following Monday?
Mr. DOBLIN. No; I called up the office and asked if this was Mr. Quigg. I said, "I spoke to Mr. Lessler, and he would see him at any time; to telephone when he wanted to."
Mr. NICOLL. Was that all you said?
Mr. DOBLIN. Yes.
Mr. NICOLL. You said, "I have spoken with Mr. Lessler, and will see you any time; and telephone when you want to?"
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. And that is all the conversation you had with him over the telephone at that time?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Had you seen Mr. Quigg at any time between the Saturday morning when you had the conversation with Mr. Lessler and this talk over the telephone?

Mr. DOBLIN. I may have called on him.
Mr. NICOLL. But did you see him?
Mr. DOBLIN. I don't think I seen him.
Mr. NICOLL. Had you any conversation with him? That is what I mean.
Mr DOBLIN. No, sir.
Mr. NICOLL. When did you see Mr. Quigg again?
Mr. DOBLIN. As I explained, when I called on him with Mr. Obermeier.
Mr. NICOLL. When Mr. Lessler came back to Washington, did you not call Mr. Quigg up from Mr. Lessler's office and say to him that Mr. Lessler was now in his office?
Mr. DOBLIN. I may have done so.
Mr. NICOLL. Do you not recollect that?
Mr. DOBLIN. No, sir.
Mr. NICOLL. You do not?
Mr. DOBLIN. No, sir. You mean after the first telephoning?
Mr. NICOLL. Oh, yes; I mean a week later than the time you say you had this conversation with Mr. Lessler.
Mr. DOBLIN. I don't remember calling him up.
Mr. NICOLL. You do not recollect it?
Mr. DOBLIN. No, sir.
Mr. NICOLL. Do you not recollect calling his office up and saying that Mr. Lessler was now in his office and would see Mr. Quigg?
Mr. DOBLIN. I called Mr. Lessler up.
Mr. NICOLL. You called up Mr. Quigg's office from Lessler's office?
Mr. DOBLIN. I don't remember that.
Mr. TATE. I do not think the witness said he called him up from Mr. Lessler's office.
Mr. NICOLL. No; I understand that. That is what I am asking, whether he did not do so—whether you did not call up Mr. Quigg's office and say, "Now Mr. Lessler was in his office and would see him"—a week later.
Mr. DOBLIN. I don't think it was a week later. It was the Monday following.
Mr. NICOLL. The Monday following what?
Mr. DOBLIN. The Monday following my conversation with Mr. Lessler.
Mr. NICOLL. You have just told us that conversation over the telephone with Mr. Quigg. You have told us about that.
Mr. DOBLIN. What is the question?
Mr. NICOLL. I am now asking you whether a week later than that you did not call up Mr. Quigg's office and say Mr. Lessler was now in his office?
Mr. DOBLIN. I don't remember him calling me up.
Mr. NICOLL. Did you ever so communicate with Mr. Quigg?
Mr. DOBLIN. As I have already stated, I——
Mr. NICOLL. Did you not tell him later on that Mr. Lessler was there and would see him?
Mr. DOBLIN. I don't think so.
Mr. LESSLER. Who suggested to you that you should bring Mr. Obermeier to Mr. Quigg?
Mr. DOBLIN. Myself; nobody.
Mr. NICOLL. Nobody else?
Mr. DOBLIN. No, sir; by the way, I desire to correct my communication with Mr. Quigg. The way I came to get Mr. Obermeier to go down there, I asked Mr. Quigg if I could bring Mr. Obermeier down, that Mr. Obermeier was going down to Washington, and I thought maybe that Mr. Obermeier could aid him in bringing about——
Mr. NICOLL. Why did you think that Obermeier could give any service in the matter?
Mr. DOBLIN. Because Mr. Obermeier is the manager of Mr. Lessler's campaign and was going down to Washington, and I thought maybe if he was going down to Washington and if he would go to Mr. Quigg they could talk it over and see if they could not be of some assistance to bring about the result desired.
Mr. NICOLL. You expected to get a thousand dollars, did you?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. And was that what you was working for?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. How often did you go to Quigg's office with Obermeier?
Mr. DOBLIN. I only went there once.
Mr. NICOLL. Did you go at any time except with Obermeier before Obermeier went with you?

Mr. DOBLIN. Not other than I have already stated.

Mr. NICOLL. When did you first hear that Mr. Lessler had stated to this committee that an attempt had been made to corrupt him or bribe him?

Mr. DOBLIN. Let us hear the question, please.

The question was read.

Mr. DOBLIN. When I read the Washington Post, Wednesday morninig.

Mr. NICOLL. Did you receive any communication from him that day?

Mr. DOBLIN. Do you mean on the day that I read this in the Washington Post? No, sir.

Mr. NICOLL. Did you the next day?

Mr. DOBLIN. I got a telegram.

Mr. TAYLER. The day before?

Mr. NICOLL. When?

Mr. DOBLIN. On Tuesday night, to come to Washington.

Mr. NICOLL. That was the day before you read it, was it?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. From whom did you receive the telegram?

Mr. DOBLIN. From Congressman Lessler.

Mr. NICOLL. Did he state why he wanted it?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Just to come to Washington?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Did you go at once?

Mr. DOBLIN. Yes, sir; that is, I went on the 12 o'clock train. I attended a meeting first.

Mr. NICOLL. At night, you mean?

Mr. DOBLIN. Yes.

Mr. NICOLL. You arrived here the next morning?

Mr. DOBLIN. At 7 o'clock.

Mr. NICOLL. Did you see Mr. Lessler the next morning?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Where?

Mr. DOBLIN. At the Normandie.

Mr. NICOLL. Did he tell you then he had stated to the committee that an attempt had been made to bribe him?

Mr. DOBLIN. He showed me the morning papers.

Mr. NICOLL. And did they so state?

Mr. DOBLIN. The Post stated so, the only one I read.

Mr. NICOLL. Did he say that was right; that they had done so?

Mr. DOBLIN. I did not have any conversation with him about it except he said, "The committee wants to see you at half past 10."

Mr. NICOLL. You mean to say you had no conversation with him that morning as to what he said to the committee?

Mr. DOBLIN. No, sir; it was all in the paper, though.

Mr. NICOLL. You read it, did you not?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And asked him no questions about it?

Mr. DOBLIN. I only said, "This is terrible. This ought not to be."

Mr. NICOLL. "This ought?"

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. What did he say?

Mr. DOBLIN. He said, "There is nothing to this; it will be all right. The committee wants to see you."

Mr. NICOLL. There is nothing to this; it will be all right.

Mr. DOBLIN. Yes.

Mr. LESSLER. I should state, Mr. Nicoll, that I had promised the committee, or said to the committee, that I would say absolutely nothing to him; but simply that they wanted to see him.

Mr. NICOLL. Was your name used in this article?

Mr. DOBLIN. No, sir.

Mr. NICOLL. No more than the statement of Mr. Lessler that an attempt had been made to bribe you?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. Did you come down with him to the Capitol?

Mr. DOBLIN. No, sir.

Mr. NICOLL. You came alone?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Who with?
Mr. DOBLIN. Mr. Son.
Mr. NICOLL. His secretary?
Mr. DOBLIN. I believe he is.
Mr. NICOLL. Did you meet him here?
Mr. DOBLIN. Who?
Mr. NICOLL. Mr. Lessler.
Mr. DOBLIN. No, sir; I didn't see him from that time until I seen him this morning.
Mr. NICOLL. So that all the conversation he ever had with you on the subject was that little conversation you have now narrated about the Normandie?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Did you understand what you were coming to the Capitol for that morning when you came?
Mr. DOBLIN. No, sir.
Mr. NICOLL. Had he not intimated to you?
Mr. DOBLIN. No, sir.
Mr. NICOLL. Had you no suspicion what you were coming for?
Mr. DOBLIN. No, sir.
Mr. NICOLL. Did you not understand you were coming here to corroborate him?
Mr. DOBLIN. No, sir; I didn't know a thing about it until I read it in the Post; and at that time when I was told that I had to go before the committee, Mr. Son told me that, and at a quarter of 11—I guess it was somewhere along there—Mr. Son came in the Normandie and said, "The committee is waiting for you; we will go up in the Capitol," and I went along.
Mr. NICOLL. At a quarter of 11?
Mr. DOBLIN. About a quarter of 11.
Mr. NICOLL. He came to the Normandie. Mr. Lessler was there, was he not?
Mr. DOBLIN. No, sir.
Mr. NICOLL. When had he left?
Mr. DOBLIN. He left there about a quarter past 10, I think it was—about 10 o'clock.
Mr. NICOLL. When you read this article in the Post did not Mr. Lessler say to you, "Philip," or "Doblin," whatever he calls you, "I made this statement to the gentlemen of the committee, and you must go down and tell them all about it?"
Mr. DOBLIN. No, sir.
Mr. NICOLL. Or anything to that effect?
Mr. DOBLIN. No, sir.
Mr. NICOLL. He gave no intimation of what was wanted at all.
Mr. DOBLIN. No, sir; I didn't talk to him the whole morning.
Mr. NICOLL. Very well. Did you talk with Mr. Son about it?
Mr. DOBLIN. Coming up from the hotel I asked Mr. Son what about it, and he said, "I suppose it has all got to come out, whatever it is."
Mr. NICOLL. Did Mr. Son tell you then that Mr. Lessler had made this statement to the committee?
Mr. DOBLIN. No, sir; he didn't tell me that. That I knew from the paper.
Mr. NICOLL. That you knew from the paper. You never knew it from any other source?
Mr. DOBLIN. No, sir.
Mr. NICOLL. You did not understand, when you went down to the Capitol with Son what you were going for?
Mr. DOBLIN. Excepting that I presumed it was a question about this investigation. It said in the Post that this was some matter of bribery, as I understood it, in the submarine boat business.
Mr. NICOLL. But you did not know you were expected to make any statement, did you?
Mr. DOBLIN. No, sir.
Mr. RIXEY. I want to ask the witness one question. Up to the time you appeared before the subcommittee, in the adjoining room, had you received any communication from the Committee on Naval Affairs?
Mr. TATE. In answer to a cross-question of counsel for Mr. Quigg, Colonel Nicoll, you stated when you approached Mr. Lessler you used this language: "I was doing what I was told to do." That is your language. Do you mean by that answer that when you made this offer of $5,000 to Mr. Lessler you were doing what Mr. Quigg had told you to do?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. Mr. Chairman, I would like to ask one or two questions. Had you visited Mr. Lessler in Washington at any time prior to the last visit you spoke of?

Mr. DOBLIN. No, sir. I was not here during the whole term in Congress.

Mr. ROBERTS. Did you ever talk with Mr. Lessler about the *Holland* submarine boat after you had made him the offer that you say Mr. Quigg authorized?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. You never repeated the money offer?

Mr. DOBLIN. Not after that time.

Mr. ROBERTS. And never discussed the proposition in any phase with him?

Mr. DOBLIN. That is, I asked Obermeier to go to Mr. Quigg and see if he could not find out from Mr. Quigg, and go to Washington and see if he could not change——

Mr. ROBERTS. I am talking about your conversation with Mr. Lessler.

Mr. TAYLER. Finish your statement. Change what?

Mr. DOBLIN. Change Mr. Lessler's idea in regard to the Torpedo Boat Company.

Mr. ROBERTS. That is, after Mr. Lessler told you he would not accept the bribe, you still persisted in your efforts to change Mr. Lessler's vote.

Mr. ROBERTS. At whose instigation did you do that?

Mr. DOBLIN. My own.

Mr. ROBERTS. At your own instigation?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. What was your object in doing that?

Mr. DOBLIN. To get a friendly relation between Mr. Quigg and Mr. Lessler.

Mr. ROBERTS. You, out of the goodness of your heart, in order to establish a friendly relation between Mr. Lessler and Mr. Quigg, persisted in your efforts to change Mr. Lessler's attitude on the *Holland* submarine proposition after he had refused the bribe you had offered him?

Mr. DOBLIN. I could not answer that very well.

Mr. ROBERTS. Why could you not answer it?

Mr. DOBLIN. You say through the goodness of my heart. It was a business proposition and——

Mr. ROBERTS. A business proposition, is it?

Mr. DOBLIN. Political exigencies, in my opinion, would have been wise to try to assist in bringing about what Mr. Quigg wanted.

Mr. ROBERTS. Wherein was it a business proposition for you?

Mr. DOBLIN. There was a thousand dollars in it for me if he was friendly disposed.

Mr. ROBERTS. You were working not so much to establish friendly relations between Mr. Lessler and Mr. Quigg as you were for the thousand dollars you were to get. Is not that the size of it?

Mr. DOBLIN. You can put it that way if you want to.

Mr. ROBERTS. I am asking you if that is not the fact?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. The thousand dollars you were to get had no weight on your mind in establishing these friendly relations, then?

Mr. DOBLIN. No.

Mr. ROBERTS. How about the business proposition you mention?

Mr. DOBLIN. If I could get it, I would be very pleased to have it.

Mr. ROBERTS. Then it was not a business proposition from your standpoint to get them on friendly relations?

Mr. DOBLIN. Not after the money proposition had ceased to exist.

Mr. ROBERTS. Had it ceased to exist?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. And yet you say you were trying to get the thousand dollars for yourself?

Mr. DOBLIN. I think if the proposition had went through I would not have needed any thousand dollars. I might have been taken care of politically.

Mr. ROBERTS. If it had gone through then?

Mr. DOBLIN. At any time.

Mr. ROBERTS. Then you had no thought in your mind of the thousand dollars for yourself after Mr. Lessler refused the bribe and you knew he could not be secured in that way?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. You had no thought?

Mr. DOBLIN. No thought.

Mr. ROBERTS. Then you were looking out for yourself from the political standpoint in your efforts to change Mr. Lessler's idea?

Mr. DOBLIN. I think both.

Mr. ROBERTS. Both what?

Mr. DOBLIN. Both Mr. Lessler and I.

Mr. ROBERTS. You were looking out for his political welfare as well as your own?

Mr. DOBLIN. Yes, sir.

Mr. WHEELER. I want to ask a question along that same line, in response to the cross-examination. In reference to your motives, is it not a fact that you regarded and still regard Mr. Quigg as a very powerful political factor in New York politics?

Mr. DOBLIN. He is the most influential man we have got in the New York County.

Mr. WHEELER. And in attempting to establish a friendly relation between yourself and Quigg, you regarded that you were making secure your political future?

Mr. DOBLIN. I did; yes.

Mr. WHEELER. And when you transmitted this proposition to buy Lessler's vote, you were influenced not only by the pay of a thousand dollars but likewise by the hope that you would be cared for politically in the future if you could put Quigg under obligations to you. Is that correct?

Mr. DOBLIN. I would not like to put Mr. Quigg under obligations to me.

Mr. WHEELER. I will state it differently. If you would establish a friendly relation between yourself and Quigg?

Mr. DOBLIN. Yes, sir.

Mr. WHEELER. Your persistent efforts, after Lessler had declined to accept the bribe, were dictated by business policy, were they? You were still hopeful of establishing this friendly relation?

Mr. DOBLIN. Yes, sir.

Mr. WHEELER. And it was for that reason that you persisted in your efforts to secure Lessler's change of attitude?

Mr. DOBLIN. Yes, sir.

Mr. DAYTON. I would like to ask the full name of this man Obermeier whom you mentioned, and his residence and address?

Mr. DOBLIN. Leonard J. Obermeier, 25 Nassau street.

Mr. DAYTON. What is his business?

Mr. DOBLIN. Lawyer.

Mr. NICOLL. Did he not come with you last night to Washington?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Is he not here?

Mr. DOBLIN. No, sir.

Mr. WHEELER. Have you ever been employed by Mr. Quigg to do any other political work for him?

Mr. DOBLIN. No, sir.

Mr. WHEELER. Has he ever requested you to look out for any political matter for him before?

Mr. DOBLIN. No, sir.

Mr. WHEELER. Have you ever transmitted any offer from him to any one else, in any matter?

Mr. DOBLIN. Not from Mr. Quigg.

Mr. WHEELER. Not from Mr. Quigg?

Mr. DOBLIN. No, sir.

Mr. WHEELER. What is Quigg's business?

Mr. DOBLIN. He is an attorney and counselor at law now.

Mr. WHEELER. He was formerly editor of the New York Press. Is he the representative of some interest in New York City before the New York legislature?

Mr. DOBLIN. Not to my knowledge.

Mr. WHEELER. Is not that his reputed occupation?

Mr. DOBLIN. I do not know, from my personal knowledge.

Mr. MEYER. I understood you to fix the date of your interview with Mr. Quigg as the 12th of December?

Mr. DOBLIN. I think that was the date.

Mr. MEYER. Unless I misunderstood you, you also said that the Roberts bill was referred to?

Mr. DOBLIN. Yes, sir.

Mr. MEYER. The Roberts bill for an appropriation for ten torpedo boats.

Mr. DOBLIN. Yes, sir.

Mr. MEYER. Are you aware of the fact that that bill was introduced in the House of Representatives on the 13th of December?

Mr. DOBLIN. No, sir.

Mr. MEYER. Had you heard of the Roberts bill or the proposed Roberts bill prior to that time?

Mr. DOBLIN. I do not know the title of the old bill.

Mr. MEYER. I have the Roberts bill before me, which is dated the 13th of December. It states that it was introduced in the House of Representatives on the 13th day of December.

Mr. DOBLIN. I do not know anything about it.

Mr. WHEELER. What is the Roberts bill; do you know?

Mr. DOBLIN. Well, as I said, the Roberts bill was in relation to ten torpedo boats.

Mr. WHEELER. You are speaking of the Roberts bill, or of bills in Congress. What is your idea of about how these torpedo boats have been ordered heretofore?

Mr. DOBLIN. I do not know. I have no idea about it. I never looked it up.

Mr. WHEELER. You do not know whether the bill might have been talked about as being called the Roberts bill or not, do you?

Mr. DOBLIN. It comes to my mind that the Roberts bill was mentioned.

Mr. WHEELER. It was torpedo boats that were mentioned.

Mr. DOBLIN. Submarine boats.

Mr. WHEELER. You do not mean to be understood as attempting to fix with absolute certainty the name of any bill that has been introduced on this subject?

Mr. DOBLIN. No, sir.

Mr. RIXEY. Did you tell Mr. Obermeier that Mr. Quigg was very much interested in securing Mr. Lessler's support for the boats?

Mr. DOBLIN. Yes, sir.

Mr. RIXEY. Did you indicate to Mr. Obermeier that Mr. Quigg had authorized you to offer a money consideration to Mr. Lessler?

Mr. DOBLIN. I do not think I did.

Mr. ROBERTS. You did say to me, in answer to my questions, that on this Friday, which you said was the 12th day of December, Mr. Quigg did say to you that the Roberts bill was before Congress. You have now stated that it was the old Roberts bill. If it transpired that there is no old Roberts bill, how do you account for his using that language?

Mr. DOBLIN. I don't know.

Mr. ROBERTS. You are positive in your mind that on the 12th day of December Mr. Quigg did use the words "Roberts bill." You have so stated before. Are you now of that same mind?

Mr. DOBLIN. That is my impression.

Mr. ROBERTS. You are sure now?

Mr. DOBLIN. No; I would not say I am sure whether that was the name or not.

Mr. ROBERTS. Then you are not sure that he mentioned the name "Roberts bill." You were sure a while ago, but you are not sure now?

Mr. DOBLIN. My impression is that it was the Roberts bill.

Mr. WHEELER. I object to the phraseology of the gentleman's question. I assert that it is an assumption on the part of the gentleman.

Mr. ROBERTS. The record will bear me out. I want to see if he has changed his recollection within a few minutes. I would like a specific answer to the question. You were sure a while ago, in answer to my question, that Mr. Quigg used the words "Roberts bill." Are you sure now that he used those words?

Mr. DOBLIN. In the course of the conversation Mr. Roberts's name came up in connection with the torpedo-boat bill.

Mr. ROBERTS. Mr. Roberts's name came up in connection with the Holland torpedo-boat bill?

Mr. DOBLIN. I don't know about Holland torpedo boats.

Mr. WHEELER. You are not sure that this conversation related to Holland torpedo boats?

Mr. DOBLIN. Holland's name was not mentioned.

Mr. ROBERTS. Let me pursue a little further. Did Mr. Quigg in any of his conversations with you mention the name "Holland torpedo boat?"

Mr. DOBLIN. No, sir.

Mr. ROBERTS. He never has mentioned to you the name "Holland torpedo boats?" You are positive about that, are you?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. To go back to this Friday, the 12th of December. Are you now positive that he mentioned the words "Roberts bill for submarine torpedo boats?"

Mr. DOBLIN. In the course of the conversation Roberts's name came up.

Mr. ROBERTS. I want to know in what way it came up.

Mr. DOBLIN. Well, the Roberts bill is dead, as I understand it.

Mr. ROBERTS. Your understanding now is that Mr. Quigg told you on that occasion, which was the 12th of December, that the Roberts bill was dead?

Mr. DOBLIN. Yes; and that this matter now goes into the naval appropriation bill, as I understood it, for five or ten torpedo boats.

Mr. ROBERTS. But he did not ask you to make a proposition to Mr. Lessler, as you once stated here, to support the Roberts bill for ten boats for a consideration of $5,000?

Mr. DOBLIN. I have not said that.

Mr. ROBERTS. Did you not say that the bill he told you he wanted Mr. Lessler's support on?

Mr. DOBLIN. No, sir; I don't remember him saying so.

Mr. ROBERTS. Is it a fact that he asked you to get him to support the Roberts bill for torpedo boats?

Mr. DOBLIN. I understood that that bill was called by that name, and that it was a matter of last session, and had not been reintroduced at that time.

Mr. ROBERTS. But he did say there was a Roberts bill in the last session, did he not?

Mr. DOBLIN. I so understood it.

Mr. ROBERTS. Are you positive about that?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. You swear that he told you there was a Roberts bill in the last session?

Mr. DOBLIN. Yes, sir.

Mr. THURSTON. Your conversation with Mr. Quigg on this matter took place while you were at luncheon?

Mr. DOBLIN. Yes, sir.

Mr. THURSTON. That was at the noon hour?

Mr. DOBLIN. About noon.

Mr. THURSTON. What lunch room was it in?

Mr. DOBLIN. I think he called it the Mutual Restaurant.

Mr. THURSTON. Is that a general lunch place?

Mr. DOBLIN. Yes, sir.

Mr. THURSTON. In how large a room?

Mr. DOBLIN. Not as big as this.

Mr. THURSTON. Did you and Quigg go into a private compartment for lunch?

Mr. DOBLIN. No, sir.

Mr. THURSTON. You were just in the general room?

Mr. DOBLIN. Yes, sir.

Mr. THURSTON. Were other people eating about you?

Mr. DOBLIN. Yes, sir.

Mr. THURSTON. Is was pretty full, was it not?

Mr. DOBLIN. No; but there were other people there.

Mr. THURSTON. And all this conversation took place in that room at that table?

Mr. DOBLIN. Yes, sir.

Mr. THURSTON. Coming back, just for a moment, when did you first begin to make a general use of Mr. Lessler's office?

Mr. DOBLIN. I think it was some time in February, 1902.

Mr. THURSTON. And you continue that same use up to this time?

Mr. DOBLIN. Yes, sir.

Mr. THURSTON. Do you carry a key to it?

Mr. DOBLIN. No, sir.

Mr. THURSTON. You do not have a key to the office?

Mr. DOBLIN. No, sir.

Mr. THURSTON. Did you have a key to the desk?

Mr. DOBLIN. No, sir.

Mr. THURSTON. The boy is there attending to the office?

Mr. DOBLIN. Yes, sir.

Mr. THURSTON. And you go in and use the desk when you wish and the office?
Mr. DOBLIN. Yes, sir.
Mr. THURSTON. How long was it after you had conversation with Mr. Quigg, that you were walking along the street and talking to Mr. Lessler, and made the remark to Mr. Lessler, something to the effect that you would be all right when you got that money?
Mr. DOBLIN. A week or so.
Mr. THURSTON. A week or so afterwards?
Mr. DOBLIN. Yes; some time before Christmas.
Mr. THURSTON. That was after Mr. Lessler had refused the proposition.
Mr. DOBLIN. Yes, sir.
Mr. THURSTON. Do you say you made that remark at that time, you rather think, in order to touch him?
Mr. DOBLIN. I think so.
Mr. THURSTON. For money; did the touch work?
Mr. DOBLIN. I did not ask him for anything.
Mr. THURSTON. You did not ask him for any money?
Mr. DOBLIN. I did not ask him for anything.
Mr. THURSTON. Then you did not borrow money of him that time?
Mr. DOBLIN. No, sir.
Mr. THURSTON. Have you since that time?
Mr. DOBLIN. No, sir.
Mr. THURSTON. You have not borrowed any of him since this transaction?
Mr. DOBLIN. No, sir.
Mr. ROBERTS. Mr. Chairman, if we are through with this witness, I move that we adjourn for a half hour for lunch.
Mr. WHEELER. Let us go on for a half hour and then adjourn until 2 o'clock.
Mr. ROBERTS. The reason I made the suggestion was that we might get tied up with a witness and be unable to adjourn.
Mr. RIXEY. I think we had better adjourn now. The next witness will be a long witness.
Mr. ROBERTS. I do not know whether it is a proper question for us to settle here and now, as to whether anything has been disclosed in the testimony of Mr. Doblin that, in the opinion of the committee, would require the attendance of any other witness, before Mr. Quigg is heard.
The CHAIRMAN. We have Mr. McCullagh here. We will proceed to examine him.

TESTIMONY OF JOHN M'CULLAGH.

JOHN MCCULLAGH, being duly sworn as a witness, testified as follows:
Mr. TAYLER. Where do you live?
Mr. MCCULLAGH. In New York City.
Mr. TAYLER. You have lived there how long?
Mr. MCCULLAGH. For about thirty-three years.
Mr. TAYLER. What is your official position at present?
Mr. MCCULLAGH. I am State superintendent of elections for the metropolitan election district.
Mr. TAYLER. Which includes what?
Mr. MCCULLAGH. Five counties—New York, Kings, Queens, Westchester, and Richmond.
Mr. TAYLER. You have held that position how long?
Mr. MCCULLAGH. Four years and six months.
Mr. TAYLER. Prior to that what official position did you hold in the city of New York?
Mr. MCCULLAGH. I was then chief of police of the city of New York.
Mr. TAYLER. How long have you known Mr. Lessler?
Mr. MCCULLAGH. The first time I met Mr. Lessler to know him was in Washington. I think that was in the month of May—the latter part of May or the first of June, 1902.
Mr. TAYLER. Of course you had known of him before that time?
Mr. MCCULLAGH. I never knew of him until he ran for Congress at the special election in January, 1902.
Mr. TAYLER. What was the occasion of your visit to him in the latter part of last May or the first of June?
Mr. MCCULLAGH. Now, gentlemen, I am not represented here by counsel, neither do I think it necessary. I shall have to ask the committee to be patient with me if I make blunders. I do not know that I can confine myself

to the rules of evidence, nor do I know that this committee is being governed by such rules in this matter.

The CHAIRMAN. Make your own statement, Mr. McCullagh, as you think best.

Mr. MCCULLAGH. I will now submit an affidavit here, which I trust you gentlemen will read aloud and have it placed in evidence. That will explain my visit.

The chairman thereupon read in evidence the affidavit of Henry B. Hertz, which is in the words and figures following, to wit:

"STATE OF NEW YORK,

"*City and County of New York, ss:*

"Henry B. Hertz, being duly sworn, deposes and says: I am thirty-two years of age, and reside at No. 22 West 43d street, in the city and county of New York. I am an architect by profession, and a member of the architectural firm of Hertz & Tallant, doing business at No. 32 East 28th street, in the city and county of New York. I know Isaac L. Rice, president of the Holland Submarine Boat Construction Company and the Electric Boat Company. The said Isaac L. Rice is and was in March last a client of the firm of which I am a member. I am not a member of any political organization, club, or association. Early in March, 1902, while superintending the construction of the residence which our firm is erecting for Mr. Rice on Riverside drive and 89th street, in the city and county of New York, I had a conversation with him, in the course of which the subject of the Holland submarine boat came up. He informed me that Congressman Montague Lessler, who was a member of the Naval Committee of the House of Representatives, was opposed to the purchase of the Holland submarine boat for the use of the Navy, and stated his regret that he had encountered opposition from Mr. Lessler, who, he thought, was not fully informed as to the merits of the boat.

"In the course of the conversation I suggested to Mr. Rice that it would be proper for some gentlemen who knew Mr. Lessler to interview him on the subject. Thereafter I consulted my brother, Mr. E. H. Hertz, a member of the firm of Freedman Brothers & Company, in reference to the matter. He informed me that the only person he knew of who was acquainted with Mr. Lessler was Mr. John McCullagh, the State superintendent of elections, and that he would see Mr. McCullagh, who was a personal friend of his of many years' standing. In company with my brother I called upon Superintendent McCullagh at his office, No. 585 Broadway, and laid the facts of the matter before him, explaining to him my interest in the matter, which was entirely personal. I impressed upon Superintendent McCullagh the fact that I was a firm believer in the utility and value of the submarine boat from having witnessed demonstrations of its efficiency both in this country and in France, and that I considered the submarine boat one of the most important adjuncts to the national defense that has ever been discovered.

"I requested Superintendent McCullagh to go to Washington to see Mr. Lessler; Mr. McCullagh informed me and my brother that he only had a casual acquaintance with Mr. Lessler, and did not know what influence, if any, he might have with Mr. Lessler, but that he did not see any impropriety in acceding to my request.

"I am not now nor have I ever been financially interested, directly or indirectly, in the Holland Submarine Boat Company or in the Electric Boat Company.

"(Signed) HENRY B. HERTZ.

"Subscribed and sworn to before me this 23d day of January, 1903.

"ARTHUR HOFFMAN,
"*Commr. of Deeds, N. Y. City, No. 115.*"

Mr. MCCULLAGH. That is correct, sir.

Mr. TAYLER. As far as you know, the statements in that affidavit are correct?

Mr. MCCULLAGH. Yes, sir.

Mr. TAYLER. In consequence of the invitation and suggestion made by the gentleman who made this affidavit, what did you do?

Mr. MCCULLAGH. I came to Washington. I want to say further, before we proceed with this matter, that there is Mr. Hertz's brother, a gentleman I have been personally acquainted with for thirty-five years. I was not very well acquainted with Mr. Hertz, the architect, but at the solicitation of his brother I asked him to come to my office. He came, and it was through his brother here, who will be a witness with *your consent*, that he came. A conversation ensued.

There is something, he says, in the affidavit about "March." Mr. Hertz is not sure that it was in March. I do not know anything about what time he had the conversation with Mr. Rice; but it was some time in the latter part of May, I know, that he came to my office, as far as I can recollect.

Mr. TAYLER. And at that time you said you saw no impropriety in coming to see Mr. Lessler, and agreed to do so?

Mr. MCCULLAGH. I agreed to do so, which I did.

Mr. TAYLER. Now, tell us what you did, and what conversation you had with Mr. Lessler.

Mr. MCCULLAGH. Yes, sir. Mr. Lessler was not in Washington when I arrived here, and I called on his secretary, a gentleman by the name, I think, of Mr. Son. He told me that he was out of town, and expected him, I think, on Monday or Tuesday. I remained over. I think I got in Sunday, and I think it was the following Tuesday I called on Mr. Son again at the hotel. Yes, it was the Normandie. He informed me that he expected him that evening. I went there that evening, and was taken up to Mr. Lessler's room. When I entered the room a gentleman arose, whom I did not know, but he introduced himself as Congressman Lessler. He said, "I am very glad to see you, Mr. McCullagh." I thanked him. He said: "I had the pleasure of meeting you before." I said, "I do not remember. Where have you met me?" He said it was at the Quigg Republican Club. I said that I really did not remember. He said, however, "I owe you an apology." "What for," I said. He said, "I am greatly indebted to you for my election." "Why," I said, "Mr. Lessler, I don't understand it that way. If I did anything for you I did it in the performance of my duty as State superintendent of elections." He asked me to take a seat. We sat down and talked for a little while about the interesting things that occurred during the special election, but what they were I can not say. I do not recollect that part of it. So I then said: "Now, Mr. Lessler, I have come here to ask for a favor." I said to him: "A personal friend of mine has requested me to come. He has no interest whatever that I know of, and he has so stated to me, in the Holland submarine boat. Neither have I. It is purely a personal matter with him, so far as I know. Now," I said, "if you can see your way clear to vote for this"—we talked about the merits of the boat—and I said, "I believe it has got some merits. You have been appointed on the committee to act on this appropriation." He abruptly said to me, "I want to be frank with you, Mr. McCullagh. I won't vote for it." He says, "You don't understand this situation as I do." Then he spoke something about the governor of the State, in a general way, sending down to my office and asking a subordinate in my office his opinion about how to run the office, and how ridiculous it would be. "Now," he said, "I have made a thorough investigation of this thing, and I am perfectly familiar with the details. I want to say to you, Mr. McCullagh, that I am not a damn fool. I was not born yesterday, sir. I have got my suspicion about this thing. There is not a man on that committee with me that I would trust except one man," and he named the man, but I will not. I can not recall the man's name. I believe I can conscientiously state the name, to the best of my information and belief, but it is not necessary, because there is doubt in my mind about it. I will not name him, with your permission. He said: "There is not a man on that committee that I would trust except one man." What brought that about was that I said: "Why, you are the only man, Mr. Lessler, that seems to be standing out on this thing. It seems to me ridiculous. You are a young man, just elected to Congress. What is the object of it?" Then he repeated just what I have said. "Furthermore," he said, "I have weighed the whole thing, and while I can't prove it I believe there is a lobby here and there is boodle. The position of the whole thing down there, from my standpoint, and what I have seen of it, is wine, terrapin, and women"—and the "woman" was the most vulgar expression I have ever heard a man use. I said: "Now, Mr. Lessler, if that be true, I am sorry I came here. I shall certainly go back and tell my friends in New York City." We talked about some other matters in a friendly way. His secretary was sitting there. I got up and he walked with me to the elevator. We shook hands and I bade him good-bye. I never saw him since, until about two months ago, and I think that it was on the day of the registration, or it may have been on election day, at the polls or at my office. He was telling me about some irregularities that were going on in his district, and I told him that I was perfectly familiar with them and they would receive attention. I did not know the man was nominated for Congress, nor did I know that he was running for Congress until he happened in my office on that day.

Is there any other question you gentlemen would like to ask me?

The CHAIRMAN. Proceed in your own way.

Mr. McCULLAGH. I believe he says I mentioned the names of three men when I entered his room.

Mr. MEYER. No; he did not mention their names.

Mr. McCULLAGH. He did not mention their names, but he said I was sent there by three men.

Mr. ROBERTS. He says on page 4 of the record, in the second question on the page, "I have been sent by some men in New York, who can reelect you or beat you, to ask you to vote for the Holland submarine boat."

Mr. McCULLAGH. Yes; "I have been sent by some men in New York, who can reelect you or beat you, to ask you to vote for the Holland submarine boat." "I said to him: 'I will see you in hell first—I will see them in hell first.'"

Now, gentlemen, is it reasonable to suppose——

Mr. ROBERTS. Do not argue it. Just state the facts.

Mr. McCULLAGH. That man never made use of any such expression.

Mr. RIXEY. Did you make use of that expression?

Mr. McCULLAGH. I did not, sir—which expression do you refer to?

Mr. RIXEY. "I have been sent by some men in New York who can reelect you or beat you?"

Mr. McCULLAGH. I had been sent by a personal friend of mine, to which I have testified, and no other conversation ensued between us.

Mr. MEYER. Did you say then, "Do it for me?"

Mr. McCULLAGH. No, sir; positively not.

Mr. KITCHIN. Did you intimate to him that his action upon that matter would in any way affect his election, or his nomination?

Mr. McCULLAGH. I did not, and if I had said so he would say I was crazy. If I went in to you, as a sane man, an intelligent gentleman, and said such a thing, you would say: "Mr. McCullagh, you require a physician; I am sorry for you."

Mr. KITCHIN. He says he told you he would see you in hell first.

Mr. McCULLAGH. He did not. He never used any such expression.

Mr. KITCHIN. And you never said anything that referred to his election or renomination?

Mr. McCULLAGH. No, sir; and I could not control it, gentlemen. It is impossible.

Mr. ROBERTS. You have stated, Mr. McCullagh, that before you held your present position you were chief of police in New York?

Mr. McCULLAGH. Yes, sir.

Mr. ROBERTS. May I ask how long you held that position?

Mr. McCULLAGH. Nine months.

Mr. ROBERTS. Did you have any connection with the police department before that?

Mr. McCULLAGH. Yes, sir; for twenty-eight years.

Mr. ROBERTS. What position did you hold?

Mr. McCULLAGH. I was appointed patrolman, roundsman, sergeant, and captain. I was promoted from captain to the chief of police of the old city, and when the New York charter went into effect I was promoted to chief of police of greater New York, and I reorganized the police force of the greater city, 7,500 men.

Mr. BUTLER. Who was mayor at that time?

Mr. McCULLAGH. Mayor Van Wyck.

Mr. MEYER. I would like to ask if you ever held a position in the police department known as the chief of detectives?

Mr. McCULLAGH. No, sir; never in my life. There is a man named McLaughlin who held that position, and you may have gotten that idea from the similarity of names.

Mr. ROBERTS. Mr. Lessler said, and if I misstate the testimony I hope I will be corrected, that when you came to his room here in Washington, at the time you have testified to, that you requested Mr. Lessler to dismiss his secretary so that you two, you and Mr. Lessler, would be alone.

Mr. McCULLAGH. He said that I looked at his secretary, and so I did. I want to be frank. I looked over to the gentleman, and he said, "Never mind, Mr. McCullagh, anything you say in this man's presence is all right. He is my secretary." Then I see in the testimony that I spoke in an undertone. I did not speak as loud as I am speaking here, because there was no necessity for it. The secretary sat about 10 feet away from me, and I paid no more attention to him than I would to any other person that might be sitting around.

Mr. DAYTON. Mr. McCullagh, you said you came from New York here to see Mr. Lessler about this matter?

Mr. MCCULLAGH. Yes, sir.

Mr. DAYTON. Did you come on any other business?

Mr. MCCULLAGH. I did not.

Mr. DAYTON. How many days were you here?

Mr. MCCULLAGH. I came here on Sunday.

Mr. DAYTON. You found that Mr. Lessler was not here?

Mr. MCCULLAGH. I found him not here.

Mr. DAYTON. You remained how long?

Mr. MCCULLAGH. I communicated with his secretary and he told me that he had returned from the West and was at Atlantic City, and that he expected him on Monday. I waited over on Monday and he did not come, and I then waited until Tuesday.

Mr. DAYTON. Then you remained from Saturday until Tuesday?

Mr. MCCULLAGH. Yes, sir.

Mr. DAYTON. Will you kindly tell the committee whether you came without compensation or pay of any kind or character?

Mr. MCCULLAGH. I paid my way from New York to Washington and I paid my expenses. My friend wanted to pay my expenses, but I would not accept it, from personal friendship. I never, gentlemen, had a pass on a railroad in my life.

Mr. DAYTON. This was purely a matter of friendship on your part?

Mr. MCCULLAGH. Purely a matter of personal friendship to my friend of twenty-five years' standing.

Mr. DAYTON. You understood that his motive was purely out of friendship for Mr. Rice?

Mr. MCCULLAGH. No, sir; his motive was to help his brother, who was an architect for Mr. Rice, for building a house that is in course of erection on Riverside drive, and the building is there.

Mr. BUTLER. You came down to discuss the Holland torpedo-boat proposition with Mr. Lessler?

Mr. MCCULLAGH. That is it, exactly.

Mr. BUTLER. Did you know anything about the merits or demerits of the Holland torpedo boat?

Mr. MCCULLAGH. Simply what I read in the newspapers and what Hertz told me about it; that is all.

Mr. BUTLER. You were of the opinion, then, that it was a good weapon for the Government?

Mr. MCCULLAGH. Yes, sir.

Mr. BUTLER. Did you come to that conclusion before you had talked with Mr. Hertz or after that time?

Mr. MCCULLAGH. After my conversation with Mr. Hertz. My attention had not been directly drawn to it and I had not come to any conclusion by what I had read about it. But after my conversation with Mr. Hertz, the brother of the architect, and then my thinking of going to Washington, and the propriety of going there made me think seriously about it, and I at last came to the conclusion that it was a proper thing, and that it was a proper thing for me to do to come down and see Mr. Lessler and discuss the subject with him.

Mr. BUTLER. Did you before that time, or have you since that time, interested yourself, directly or indirectly, toward procuring a weapon of any character for the Government to employ?

Mr. MCCULLAGH. I have not.

Mr. BUTLER. Then this is the only one you have ever advocated?

Mr. MCCULLAGH. It is the only one I have ever advocated.

Mr. TAYLER. Had you made any effort prior to your journey to Washington that you made to see Mr. Lessler?

Mr. MCCULLAGH. Yes. I tried to locate him at his office, and they notified me that he was out of town. I wired, I think, to Washington and I received a telegram. I think the telegram was signed by Mrs. Lessler, that he had gone to Cincinnati. I thought that the committee was going to act immediately on the appropriation, and I then wrote him a letter. It seems the letter did not reach him. So, then, I came to the conclusion that the best thing I could do was to come and see him, which I did.

Mr. TAYLER. That was shortly afterwards?

Mr. MCCULLAGH. Yes, sir.

Mr. DAYTON. Was it your purpose to come down here and present to Mr. Lessler the merits of that boat and convince his reason and judgment that he ought to vote for it?

Mr. McCULLAGH. Not particularly that. The main object, gentlemen, of my coming here was an entirely outside thing. There is the gentleman [indicating] through whose instrumentality I came, because of the interest he had in his brother. He was not particularly interested at all in the Holland submarine boat.

Mr. DAYTON. You went to this expense and trouble, in other words, of making an appeal to Mr. Lessler to vote for this boat, without knowing very much about its merits except what you had casually read in the newspapers and from the conversations you had had with your friends, because of your friendship for your friend who was connected with the Holland submarine torpedo boat?

Mr. ROBERTS. I object to the last part of the question going into the record.

The question was read by the stenographer.

Mr. DAYTON. My question is simply this: You went to all this trouble and expense to see Mr. Lessler and make an appeal to him to vote for this measure, without knowing very much about it, save and except what you had casually read about it in the newspapers and what your friends had told you, solely on account of your friendship for your friend, who was connected with the Holland submarine torpedo boat?

Mr. ROBERTS. He has not said that. He has not said his friend was connected with the Holland torpedo boat.

The CHAIRMAN. You can make your explanation.

Mr. McCULLAGH. I want to hear the question first.

Mr. TAYLER. It was on account of your friend, who was a brother to the architect to Mr. Rice.

Mr. DAYTON. Then on account of your friendship for your friend, who was a brother of Mr. Rice's architect?

Mr. McCULLAGH. If you will refer to that affidavit there, you will see that I was very careful not to act on the suggestion of Mr. Hertz, my friend, who was not familiar with the boat; but I sent for his brother. I asked him to bring his brother to the office, which he did. We discussed the matter thoroughly. What he said to me about the boat and other things that I had read about it in the public press made the impression on me that it was a good thing, and then, through my personal friendship for my friend, I came here. As I stated, and as Mr. Hertz says in the affidavit, I told him I did not see any impropriety in my coming and discussing the matter with Mr. Lessler.

Mr. DAYTON. It did not present itself to your mind that it was improper, if you were so thoroughly convinced of the merits of these boats, to ask for a hearing before this Committee of the Whole, where you could express your opinion to the committee and present your reason for it, instead of going to an individual member in this way?

Mr. McCULLAGH. I did not think it was necessary for me to come before this committee, gentlemen. I had no interest at all in it. If I were financially interested, or took any great interest in it, if I were a member of the firm, I suppose it would be a natural consequence for me to come and ask the privilege of appearing before the committee, but having no other interest, as I said before, gentlemen, why, I simply did it to oblige my friend.

Mr. DAYTON. Your patriotic motive did not extend beyond seeing one member of this committee. Is that right?

Mr. McCULLAGH. I don't know, Mr. Congressman, that you could call it patriotism in this matter I know I would not.

Mr. TATE. I believe you said that you did not know Congressman Lessler?

Mr. McCULLAGH. I did not know him.

Mr. TATE. You had never met him, to your knowledge?

Mr. McCULLAGH. I had never met him, to my knowledge.

Mr. TATE. You had no reason to believe, then, that you had any particular personal influence with him, had you?

Mr. McCULLAGH. I have so stated, and Mr. Hertz has so stated in that affidavit.

Mr. TATE. Why was it, Mr. McCullagh, then, that you came here to Washington to see him, and that you were selected as the person to come here and see him, and not some other person or the attorney of some other person? What reason did these gentlemen urge or state to you that you could offer to this Congressman different from what they could offer? Were you in a position to influence him?

Mr. McCULLAGH. No; I have so stated. I had no influence with him.

Mr. TATE. Why did you come? You say you know nothing about the boat and did not know the man. If you were not in a position to influence him, why did you come?

Mr. McCULLAGH. I came through the solicitation of my personal friend, Mr. Hertz.

Mr. DAYTON. Why did he not come?

Mr. McCULLAGH. I do not know. He stated to you to-day that his brother, the architect, was ready to come and testify here; but he did not come.

Mr. WHEELER. Can you tell us why he did not come?

Mr. McCULLAGH. I do not know his mind; he came to me and told me that his brother had this contract with Mr. Rice, who was a client of his, and that he would like to retain that clientage, and that his brother was just beginning business and was a bright young man.

Mr. WHEELER. Is it not a fact that your understanding was that by virtue of your position in politics in New York these gentlemen came to you because they thought that because of your position you would have influence?

Mr. McCULLAGH. My friends asked me if I knew him.

Mr. WHEELER. I understand that; but answer my question please. Is it not your understanding now, in perfect frankness, that by virtue of your commanding position in politics in New York, these gentlemen approached you, because they believed that by virtue of this commanding position your views would be then influential in determining this man Lessler's attitude?

Mr. McCULLAGH. I can not tell, gentlemen, what their opinion might be about it; but I know this, that I do not hold any commanding position in politics in New York. I am a State officer, appointed to perform a certain duty. I take no active part in politics at all. I do not go to conventions. I am not elected as a delegate to any convention, and never have been. To keep out of politics I even did not enroll.

Mr. WHEELER. Did it not strike you as a little bit singular that a total stranger should be selected by a total stranger to come and see a man and influence his action upon a vote in Congress?

Mr. McCULLAGH. No.

Mr. WHEELER. Did not that occur to you as a little strange?

Mr. McCULLAGH. It did not.

Mr. WHEELER. Have you ever been approached by any other friend to go and see a total stranger and to change his attitude on a matter pending before a legislative body?

Mr. McCULLAGH. I can not recall any in my life.

Mr. WHEELER. And you state to this committee that you attributed no importance to the fact that you, the superintendent of elections, and having general supervision over election returns in this man's district——

Mr. McCULLAGH. Yes.

Mr. WHEELER (continuing). That you did not connect that in any way with the fact that these people had asked you to come and see Lessler?

Mr. McCULLAGH. He made use of the expression: "Mr. McCullagh, I owe my election to you;" but I did not look at it in that way. I know that he did not. I never gave it a thought.

Mr. ROBERTS. Do you have anything to do with the returns of elections in New York?

Mr. McCULLAGH. I do not.

Mr. ROBERTS. Do they come under your supervision in any way, shape, or manner?

Mr. McCULLAGH. They do not. I will explain my position in brief, if you will permit me. I appoint, under the law, 800 men, for the purpose of investigating illegal registration, and detecting and arresting any person committing any crimes against the elective franchise. I employ these men for forty days. I notify, on or about the 15th day of August of each year, the chairman of each county committee of the two dominant parties, the Democrat and Republican parties, as to the number of men I am going to appoint. The chairman of the county committee submits the names to me. The men are recommended to me. These men are supposed to possess the qualifications of inspectors of elections. I examine them, and if they pass it is mandatory that I must appoint them. They are employed for forty days, and where it is necessary, in some cases, in carrying out the work of the office, their service may be continued.

Mr. BUTLER. Do I understand you to say that you do not register as a voter?

Mr. McCULLAGH. I said I did not enroll.

Mr. TAYLER. Enrollment means to join a party?

Mr. McCULLAGH. No; enrollment means to vote at the primaries to elect delegates.

Mr. BUTLER. Then you took no part at the primary election?

Mr. McCULLAGH. I say I do not.

Mr. BUTLER. Not even by participating to the extent of casting your vote?

Mr. McCULLAGH. No, sir.

Mr. WHEELER. Have you got any party affiliations?

Mr. McCULLAGH. I have.

Mr. WHEELER. What are your party affiliations?

Mr. McCULLAGH. Republican.

Mr. KITCHIN. When you came to Washington to see Congressman Lessler you were hoping and expecting to have some influence with him?

Mr. McCULLAGH. Well, yes; I thought I might.

Mr. KITCHIN. I ask you if it is not a fact that you were depending more upon your official and political position than upon the arguments you made before him to influence him?

Mr. McCULLAGH. No; I could not say that, because I have already said——

Mr. KITCHIN. You deny that?

Mr. McCULLAGH. I said I would go and discuss it. I did not say I would go to influence him. I said I would go and discuss the matter with him, and lay it before him in the most intelligent way I possibly could.

Mr. KITCHIN. So you deny that you expected, in your official position, to have any more influence with him than the argument that you should make to him would have?

Mr. McCULLAGH. Yes; I did not expect it.

Mr. KITCHIN. What argument did you make to him, in relation to submarine torpedo boats?

Mr. McCULLAGH. Simply that I had been requested by a personal friend.

Mr. KITCHIN. There is no argument in that.

Mr. McCULLAGH. There was no argument at all. I just told him my little story, and that is all there is of it. Then he told me the history of the whole thing, and I said, "Mr. Lessler, I am sorry I came, and I shall go back to New York and tell my friends exactly what you said." I see by his testimony here that he refers to an expression that came over my face when he referred to the situation, that is, the situation he told me existed.

Mr. ROBERTS. I should like to ask you a question or two concerning Philip Doblin, who has been a witness here, and who has testified that he was deputy inspector of elections. Do you know this person?

Mr. McCULLAGH. I know him, but my acquaintance with him is very slight. Mr. Doblin is one of those men who are recommended to me by the chairman of the county committees. I think, I am not sure, that the first time he came into my office Mr. Quigg was the chairman of the county committee, and he recommended him, which he had to do, as his name was submitted by some district leader. I think he came from some district up on the East Side. Mr. Quigg resigned—I don't know whether he resigned or not—but I know that he is not chairman of the county committee, and another chairman submitted his name. He has been employed in the office there. I employ 800 men for forty days. They are all strangers to me. I divide them into squads and detail them. I do not believe I ever spoke to Mr. Doblin more than three or four times in my life.

Mr. ROBERTS. He is in your employ, in your office?

Mr. McCULLAGH. No, sir; there is no employee in my office except my secretary and chief clerk and chief deputy.

Mr. ROBERTS. He is one of these 800 men?

Mr. McCULLAGH. Yes, sir.

Mr. ROBERTS. Was he employed in your department from the last of November until the 1st day of January?

Mr. McCULLAGH. He was.

Mr. ROBERTS. The forty days had not expired?

Mr. McCULLAGH. Yes, the forty days had expired, but the law says that, where necessary, services may be continued, and Mr. Doblin's services are continued with those of other men. Cases are to be prosecuted in court. I

have subpœnaes to issue and investigations to make to carry out the work of the office.

Mr. ROBERTS. What compensation does Mr. Doblin get?

Mr. MCCULLAGH. Five dollars a day.

Mr. ROBERTS. Entirely a per diem?

Mr. MCCULLAGH. Yes, sir.

Mr. ROBERTS. Have you ever talked with Mr. Doblin concerning the Holland torpedo boat?

Mr. MCCULLAGH. I never talked to a human being in my life about that, with the exception of the gentlemen I have spoken of.

Mr. RIXEY. Something has been said here about Mr. Obermeier. What position does he hold?

Mr. MCCULLAGH. I do not know the gentleman.

Mr. RIXEY. What is his first name?

A Member. Leonard J. Obermeier.

Mr. MCCULLAGH. I employ, as I told you, from six to eight hundred men.

Mr. ROBERTS. He is a lawyer. He is not one of your men.

Mr. MCCULLAGH. I have got lawyers down there, too, gentlemen.

The CHAIRMAN. Are there any further questions?

Mr. MCCULLAGH. There is one thing more, gentlemen, if you will permit me. I see through the public press something about Doblin being employed in my office, and about Mr. Quigg, and if you read it it looks very peculiar. Mr. Quigg is a gentleman whom I have not seen three times in the past three years, and the last time I saw him was at a public dinner and across the table.

The CHAIRMAN. If there are no further questions the witness is excused.

Mr. MCCULLAGH. This affidavit that has been offered has not been corroborated. If you will give me the privilege of hearing Mr. Hertz, and getting this corroboration, I will be very much indebted to you.

Mr. DAYTON. Is there any reason that the man who made the affidavit should not come here?

Mr. MCCULLAGH. If you want him he will come here.

Mr. DAYTON. He seems to be the gentleman who induced you to make this visit.

Mr. MCCULLAGH. This is the party who got me to make the visit. The other man simply explained the situation.

The committee thereupon took a recess until 2 o'clock.

The committee reassembled at the expiration of the recess.

TESTIMONY OF LEMUEL E. QUIGG.

LEMUEL E. QUIGG was duly sworn as a witness.

Mr. TAYLER. You live in New York.

Mr. QUIGG. Yes, sir.

Mr. TAYLER. How long have you lived there?

Mr. QUIGG. I have lived there eighteen or twenty years.

Mr. TAYLER. What is your business?

Mr. QUIGG. I am just now a student of law very diligently, and I hope to be admitted in the courts in a few weeks. I have not yet taken my bar examination. My business formerly was that of newspaper man.

Mr. TAYLER. What official position in the Republican party have you held in New York?

Mr. QUIGG. I have held, in the party organizations, the office of president of the county committee, and have been a member of the State committee.

Mr. TAYLER. How long have you held an official position in the party organization?

Mr. QUIGG. I am not now in any other official position than that of a member of the State committee and a member of the county committee.

Mr. TAYLER. How long were you president of the county organization?

Mr. QUIGG. I think nearly three years.

Mr. TAYLER. When did you become the incumbent of that position?

Mr. QUIGG. I should say it was in 1897.

Mr. TAYLER. When did you leave?

Mr. QUIGG. I should say it was in 1900 or 1901.

Mr. TAYLER. Were you succeeded by Mr. Morris?

Mr. QUIGG. I was succeeded by General Green and General Green was succeeded by Mr. Morris.

Mr. TAYLER. Your profession has been that of a newspaper man?

Mr. QUIGG. Yes, sir.

Mr. TAYLER. You were elected to Congress, when?

Mr. QUIGG. I was elected in the Fifty-third Congress at a special election held in January, 1894.

Mr. TAYLER. And served how long?

Mr. QUIGG. I served in three Congresses.

Mr. TAYLER. Through the Fifty-fifth Congress?

Mr. QUIGG. Through the Fifty-fifth Congress.

Mr. TAYLER. You have known Mr. Lessler how long?

Mr. QUIGG. I should say for eight or ten years, perhaps, and perhaps not so long.

Mr. TAYLER. He has been active in politics there, has he not?

Mr. QUIGG. He has always certainly been interested in politics.

Mr. TAYLER. Has your acquaintance with him been intimate or otherwise?

Mr. QUIGG. It has not been intimate.

Mr. TAYLER. Do you know Philip Doblin?

Mr. QUIGG. I know Doblin.

Mr. TAYLER. How long have you known him?

Mr. QUIGG. I suppose about the same length of time.

Mr. TAYLER. How did you come to know him? I do not mean for you to specify the origin of your acquaintance; but I mean what was the character of the acquaintance, and how it originated.

Mr. QUIGG. Doblin is what is more or less accurately described as a district worker, and I have known him to act as such.

A MEMBER. A district what?

Mr. QUIGG. A worker. He is an active little fellow around the polls and in the district organization, and I have known of him as I have of thousands of others.

Mr. TAYLER. You have had no intimate acquaintance with him?

Mr. QUIGG. No, sir; oh, no.

Mr. TAYLER. You have heard the account given by Mr. Doblin?

Mr. QUIGG. Yes, sir.

Mr. TAYLER. And the transaction which he claims to have with you respecting Mr. Lessler's vote on the proposition to build submarine torpedo boats?

Mr. QUIGG. Yes, I heard it.

Mr. TAYLER. I think it would be fair to you and more satisfactory to the committee if you would proceed and tell in your own way what you have to say in respect to that statement of Doblin's.

Mr. QUIGG. I thank you, Mr. Tayler. I should like to do that.

I am pretty sure that, on the 9th day of December last, I called at the Waldorf-Astor Hotel and sent my card to Senator Hanna. The object of my visit was to ask the Senator to be present at a dinner, at a public dinner, which was to be held and has since been held. I remember the day by reason of the circumstance that the Senator was not in. He was in attendance upon the Pacific Federation. I wrote a letter to him asking when I might see him and sent it there. I have since looked up the date of that letter and find it was December 9, so that I am pretty sure it was on that morning I called at the hotel. While I was waiting for the return of the card and about when it returned, I saw or encountered Doctor Kerr, of Chicago, who was standing or passing. He accosted me. I had known him as a partner of Mr. Mulholland, in his pneumatic-tube enterprise.

A MEMBER. As a partner of whom? I did not understand you.

Mr. QUIGG. When I knew him he was a partner of Mulholland. I don't know whether he is now or not. I do not know anything about it. Kerr asked me if I knew Congressman Lessler, and I said I did. He said: "I wonder if you would be willing to do a favor for me, by speaking with Mr. Lessler." I said: "About what?" He said: "About the Holland torpedo boat." I said: "Are you interested in that?" He said: "Yes, I am." I said: "Well, I don't know anything about the Holland torpedo boat." He said: "Well, you know sufficient about what it is to know that it is a diving boat." I said: "Certainly, I know that." He said: "Are you opposed to it in any way?" I said: "Not at all." "Well," he said, "I wish very much that you would speak to Lessler." Said I: "What is the matter with Lessler? "Well," he says, "he is not only opposing it, but he is opposing it in a very personal and vindictive manner. The character of his opposition has been violent and noisy. Now," he said, "I don't suppose you could do much good in any way, but if you call him off a little"—I remember the expression—"it would be about all you could do." "Well," I

said, "if I get the chance to speak to him I will. I do not often run across him." He said: "Won't you take the trouble to see him?" "Well," I said, "Kerr, I might go to see him, yes; but it is a good deal of a nuisance to do that sort of a thing, and I can't make much of an argument for the Holland torpedo boat, because I don't know anything about it." "Well," he said, "I don't expect you to, but you can ask him not to be so violent and pestiferous in his opposition, and that is all I want you to do." I said: "All right; if I get the chance to see him I will do it," and with that we parted, and, of course, I forgot it; not that I intended to, and I should have spoken to Lessler, agreeable to the promise, if I had run across him; but I forgot it. It was two or three days later that Doctor Kerr called up on the telephone and asked me if I had seen him. I told him that I had not. "Well," he said, "won't you please try to see him?" He said: "That matter is coming up now, and I wish very much you would ask him not to be bitter and vindictive." I said: "All right, Kerr, if you want me to do it, I will go to see him." I did call Mr. Lessler on the telephone and found that he was not in, and I forgot it again. I did not feel myself heavily charged with it, to tell the truth. It was as much as a week later than that that Doctor Kerr called me up again on the telephone, and I said: "I have not seen him, and I suppose he is down at Congress." "Well," he says, "does he not come home at the end of the week?" I said very likely he did and I would try to see him this week. Again I had my office call him up. My office connected me with Lessler's office, and somebody told me that Mr. Lessler was with Doblin, and that if I could locate Doblin I could find him; that he was not in his office and he was with Doblin. So I told my office to call around where they could see if they could find Doblin. I don't know what was done from the office, but the next day or perhaps the day after that, I should say the next day—and now we must come down to about ten or twelve days after I met Kerr—Doblin came into the office. I should say it was the day after I had made this telephone inquiry of his whereabouts.

Mr. TAYLER. If that was on Saturday, it would have been the 20th, would it not, and if on Friday, the 19th?

Mr. QUIGG. I should say so.

Mr. TAYLER. If your first meeting with Doblin was on Friday or Saturday, it would be either the 19th or the 20th.

Mr. QUIGG. I would come very close to the time, on oath, that it was on the 9th. I have only been guarded in my statement because of the fact that it might have been on any one of those days. The letter I wrote to Senator Hanna was on the 9th. Doblin came into the office and said that he wanted to see me—or rather that I wanted to see him. He said: "You sent for me." To tell you the truth, for the moment it slipped my mind as to what I wanted. I had my overcoat on and my hat on, and was leaving the office. I said: "Yes." I said: "Come along." I started out, thinking what it was I wanted to see him about. On the way to the elevator he said: "Mr. Quigg, won't you ask McCullagh to keep me in his office?" He said: "He can do that and he will do it if you will ask him." He said: "I asked you to do that some time ago." He mentioned some other occasion in which he had asked me to do it. I said: "Doblin, I can't do those things any longer. My time is out for that work." I said: "Mr. Morris makes all those designations, and I don't want to interfere with him in any way; and I haven't any idea that any request I would address to McCullagh on the subject would amount to anything, and I don't want to make the request. I would rather you would not bother me with it. You must get somtbody else to do it." "Well," he says, "I have no influence with Mr. Morris, and the only man I know is Congressman Lessler that could do it for me, and Lessler's relations with McCullagh are not good." That brought the whole thing to my mind, and that was the first minute I remember what I wanted Doblin for. I said: "What is the matter between McCullagh and Lessler?" He said: "Why, it is about the Holland torpedo boat." I said: "Why, what is that about?" That, of course, interested me as a coincidence. I said: "What is that about?" "Well," he said, "McCullagh went down to Washington and threatened Lessler that he would beat him unless Lessler voted for that bill." I said: "What nonsense." "Oh, yes, he did," he said. By that time we had arrived at the place where I usually go to take lunch, just a few steps from my office, and we were standing at the door. I said: "Well, tell me about that; tell me all about it." "Well," he said, "McCullagh went down to Washington and insisted that Lessler should vote for the Holland bill, and they got very excited and had a very disagreeable interview. McCullagh told him that he would beat him." "Well," I said, "I don't believe that of

McCullagh. That is not the way McCullagh does." I said: "Have you had luncheon?" He said: "No." I said: "Come in and get a bite of lunch." We went into the restaurant. It is a little restaurant and has three or four—two or three rooms about half the size of this. I is cut up a little. There are some eight or ten tables in each of them. We sat down at one of the tables, and I ordered some single dish. I don't know what it was. He ordered something, but I don't recollect what. I said, "Now, it is funny, doubtless, but it is about the Holland torpedo boat that I want to speak with Lessler." I said: "Is he very positively opposed to it?" "Oh," he said, "he is bitterly opposed to it." He said: "I don't know but what he would support it if you would ask him to." "Well," I said, "I really don't like to ask him to support it. I don't know enough about it to ask him to support it, but I promised a man that I would see him about it and ask him to simmer down a little in the violence of his opposition. But I have never studied anything about the Holland torpedo boat, and I don't know as I want to ask him to support it. My acquaintance has pestered me a little about it, and he is a man that I would like to oblige, and I suppose that I must go to see him." I said: "I called him up yesterday and they said he was with you." "No; he wasn't," he said; "he was in Washington, and he is in Washington yet;" and he said, "he will probably be home at the end of the week." Now, it could have been Saturday, but his statement was that he probably would be home at the end of the week. I said: "Well, I wish you would let me know when he comes home. Ask him to call me up on the telephone, or you call me up." He said: "I will." I then introduced political subjects and asked him about the little gossip of the districts. The rest of the meal was occupied by that. It was not more than a few minutes. At the end of it I said: "Now, as soon as Lessler comes in town I wish you would call me up and let me know, because I want to keep this agreement and go to see him." It was all of a week after that before I heard from Doblin. It was not the next day, as he says. I have told you all of the conversation, precisely. There was no mention of money or of anything else. I did not ask Lessler to vote for it or anything of the kind. It was all of a week after that talk with Doblin that Doblin came into the office and told me that Mr. Lessler was in his office and would see me, if I wanted to go over there.

Mr. TAYLER. You mean in his, Mr. Lessler's office?

Mr. QUIGG. In Mr. Lessler's office, but, he says, "He is pretty hot about this Holland torpedo boat, and I don't believe he will support it." I did not pay any attention to that because it didn't make any difference to me whether he did support it or not. I told my people to get Mr. Lessler on the telephone if he was in. I want to say that he did not call me up; they called him up and he said: "Yes, he was there and would be very glad to see me." I said to him: "By the way, what has been done about the post-office at Stapleton?"

Mr. TAYLER. You said that to Mr. Lessler when you went to his office, or over the telephone?

Mr. QUIGG. Over the telephone. I said, "There is a friend of mine that is very much interested in Miss McRoberts, the daughter of Hugh McRoberts." Hugh McRoberts was an old leader of that district, the Richmond County District, which is in Mr. Lessler's Congressional district, and he had died. A Catholic clergyman in New York asked me to see Mr. Lessler in the interest of Miss McRoberts' reappointment. I said: "What have you done about that?" "Oh," he says, "she is reappointed." I said, "I am very glad." I said, "I will be there presently." He said, "All right." I went over and as soon as I went in I said: "I am awful glad that you have seen your way to appoint Miss McRoberts, because her father was a very dear friend of mine, and a good man." He said, "Yes, he was." Then he said, "That has all been settled." I then said, "Lessler, I called here to talk with you about the Holland torpedo boat." I said, "I don't know much about the Holland torpedo boat, but a friend of mine, whom I should like to oblige, has told me that your opposition to it is very ugly and malignant and that you have said all manner of nasty and disagreeable things about the enterprise and the people, and that he wanted to see if I couldn't prevail on you not to be so stiff about the thing." I said, "What is the matter with it?" Lessler smiled and said that he had been very much opposed to it, and he entered upon a long and detailed description of the Holland torpedo boat—I mean a description of its mechanism—and showed why, in his opinion, it was not a success, and why, in his opinion, it would never be.

He gave what seemed to me, if he had the facts, pretty convincing reasons why he was opposed to it and why he should be. I listened to them. He took, I should say, ten or fifteen minutes, explaining to me the merits and demerits

of the boat. Well, I said that was all right and that was a good reason for being opposed to the boat, but what was the use of making so much fuss about it if it was a fact that he had been vindictive. "Well," he said, "they are the worst lot down there." He says: "They are a lot of rascals through and through." He says: "You have got no idea of the abominable methods to which these people have resorted." He said: "They maintain a most unscrupulous lobby in Washington, and it is as much as anybody's reputation is worth to have anything to do with them." "Well," I said, "I did not suppose there was much in that; that naturally no individual was going to buy a plunging boat, and it was not an enterprise that recommended itself to private individuals, and that whatever was done to develop that idea in naval architecture would have to be done by the Government, of course; and that it seemed to be a very legitimate subject of Government investigation and experiment. I said that, naturally, as the Government was the one customer of the company projecting and developing such a boat, it was not remarkable that they should have agents or that they should seek to interest Members in the matter, and I should not be offended at anybody coming and talking to me about torpedo-boats, if I was a Member." I said: "There has not been anybody who attempted to bribe you, has there?" He said: "No, there has not. Nobody attempted to bribe me, but," he says, "they are down there all around." "Well," I said, "I wouldn't pay much attention to that. It is very natural that they should be down there and all around and it is very natural that they should come to you and talk over the thing and very natural that they should send their friends to you, and there is no ground for offense about it. After what you have said about the boat, I feel that it is conclusive. It would be to my mind if the facts are as you state them, and," I said, "it puts me in a position where I have not got any request to make of you whatever, unless it is a request that you do not get so excited about it." He said: "Well, of course, I shall have to oppose it." He said: "The Navy Department is opposed to it." I said: "How is Mr. Foss on the subject?" "Well," he said, "he is opposed to it." "Well," I said, "if the Secretary and your chairman both are opposed to it that is some reason why you, a young man and a younger Member in the House, should look at it pretty seriously, and I have no fault to find with that; but do not get so excited." I said: "Do not talk about this lobby business. He said he was going to oppose it, and I said: "That is all right." I got up and left him.

It was some time after that, how many days I do not know, because the matter dropped from my mind at that point, as I had discharged my errand and the thing was out of my mind. Doblin came into my office and said that he thought if I would go to see Lessler again I could get him to vote for that bill. I said, "I don't want Lessler to vote for it, for I have no interest in it, and I certainly shall not go to see him again," and that I had not asked him to vote for it. Doblin then said, "Well, a funny thing, last night"—I am quite sure he said "last night," so that would locate the time of his conversation—"I was in the Waldorf-Astoria with George Cromwell and I met Mr. Frost." I said, "Who is Mr. Frost?" He says, "Why, he is the attorney for the Holland torpedo boat." I said, "What have you been doing with Mr. Frost?" "Oh," he says, "nothing at all; I just saw him there." I knew Mr. Cromwell very well. He is a man of the highest character. Says I, "Was Mr. Cromwell there with you when you were with Mr. Frost?" He said, "Yes." Said I, "All the time?" He said, "Yes." I said nothing more, because I knew Mr. Cromwell. Then he asked me again if I would not see Mr. McCullagh for him, and I said no, that I could not do it. Some days later than that—and now I come to what I should say is a week or ten days ago—Mr. Obermeier, a young attorney of New York, and Doblin came to my office together. Doblin said that Mr. Obermeier was going over to Washington and that he was a great friend of Lessler's, and he would speak to Mr. Lessler about the torpedo boat if I wanted him to, and that he believed Mr. Obermeier could get Mr. Lessler to vote for it. I said to Mr. Obermeier, "Well, Mr. Obermeier, I don't know as I want you to do anything about that." I said, "I spoke to Mr. Lessler about it and he did not want to do it, and I do not ever give a man a chance to deny a request of mine twice." "Well," he said, "Mr. Quigg, I should like very much to oblige you, and if it would be a matter of interest to you I would speak to him about it with great pleasure." I said, "Well, speak to him." I said, "I have already informed the party that spoke to me that Mr. Lessler would oppose the bill, and that I was afraid he would oppose it just as bitterly as ever; but that if he could succeed in making any impression on his mind to let me know." He said that he certainly would.

That is the last I know or have heard of the Holland torpedo boat until I saw Mr. Lessler's explosion in the newspapers. At first I did not suppose that it related to me. It said something about a bribe having been offered to his secretary or clerk by an ex-Representative, and I read it and did not think of myself. I did not know Doblin as his secretary, and I paid no attention to it until I saw in the next day's papers, when I sent a telegram to Mr. Foss, asking him to hear this testimony.

Now, gentlemen, I have finished.

Mr. TAYLER. You heard Mr. Lessler's statement as to the remark he made early in the interview that you had with him?

Mr. QUIGG. Yes.

Mr. TAYLER. With reference to money?

Mr. QUIGG. He made no such statement, early or late—no such statement at all.

Mr. TAYLER. There was no reference, directly or indirectly, to any money involved in using his influence, for or against it?

Mr. QUIGG. Not the slightest suggestion at all. He talked about this lobby influence, and I said to him that he was silly—silly talk.

Mr. TAYLER. In your conversation with Doblin was there any mention made by him or by you of money?

Mr. QUIGG. Of course not, nor any request of Doblin whatever except that he should let me know when Mr. Lessler came.

Mr. TAYLER. Did you think it strange that Doblin should return to you on this third visit with Obermeier after you had so distinctly stated that your hands were off of it?

Mr. QUIGG. Doblin wanted me to speak to McCullagh. I had recommended him, in connection with others, for appointment, to Mr. McCullagh, and he wanted me to do it again. No; the only thing that attracted my attention was his remark about having seen Mr. Frost. That struck me; but his return, his coming back the second time, did not impress me one way or the other.

Mr. TAYLER. Nothing further occurs to you that you wish to state?

Mr. QUIGG. There is nothing further.

Mr. NICOLL. I think perhaps there are one or two omissions I would like to ask Mr. Quigg about.

Mr. WHEELER. You can take those up when I get through with him, Mr. Nicoll. Mr. Quigg, what business are you engaged in now?

Mr. QUIGG. I am engaged in preparing myself for the bar more than anything else.

Mr. WHEELER. How long have you had an office?

Mr. QUIGG. I have had an office substantially since I left Congress; that is nearly four years ago. I am working now.

Mr. WHEELER. What business do you conduct in that office?

Mr. QUIGG. I do a great deal of law business in the office, a great deal. Mr. McEvely is a practicing young attorney.

Mr. WHEELER. This young gentleman over here [indicating]?

Mr. QUIGG. Yes, sir.

Mr. WHEELER. He is in your office, is he?

Mr. QUIGG. He is in my office. He and I have the office.

Mr. WHEELER. You keep a corps of clerks there, do you?

Mr. QUIGG. No; I keep a boy; a stenographer.

Mr. WHEELER. Are you not the paid agent of some corporation in New York?

Mr. QUIGG. I am not.

Mr. WHEELER. Have you never been?

Mr. QUIGG. I never have been.

Mr. WHEELER. How much of your time have you spent, in the last two or three years, about the New York general assembly?

Mr. QUIGG. I have not spent any time there.

Mr. WHEELER. You have never been in Albany when the general assembly was in session?

Mr. QUIGG. Oh, yes; when I was president of the county committee.

Mr. WHEELER. Eliminate politics.

Mr. QUIGG. Eliminating politics I never have been there except occasionally.

Mr. WHEELER. You never represented the Metropolitan Street Railway Company of New York before the general assembly of New York?

Mr. QUIGG. Oh, no. I never have been to Albany in connection with legislation other than political, and I never have had any connection with political legislation since I retired from politics.

Mr. WHEELER. Then before the general council of the city of New York, or whatever you term your municipal body there—have you not appeared as legislative agent for those people there?

Mr. QUIGG. No; certainly not.

Mr. WHEELER. Will you state that you have not been acting as the representative for any New York corporation in the last three or four years?

Mr. QUIGG. I never did such a thing in my life.

Mr. WHEELER. Not now and never have been?

Mr. QUIGG. Not now and never have been.

Mr. WHEELER. Will you please tell us the full name of this Doctor Kerr?

Mr. QUIGG. I think his name is Dr. William R. Kerr.

Mr. WHEELER. And his address?

Mr. QUIGG. He is now stopping at the New Willard.

Mr. WHEELER. He is in the city of Washington?

Mr. QUIGG. He is in the city of Washington. I saw him last night.

Mr. WHEELER. Do you know how he comes to be here at this particular time?

Mr. QUIGG. I do not.

Mr. WHEELER. Did he come at your request?

Mr. QUIGG. No; he did not come at my request.

Mr. WHEELER. Did you know that he was coming before he got here?

Mr. QUIGG. No.

Mr. WHEELER. Did you know Mr. Frost before Doblin mentioned his name?

Mr. QUIGG. I never saw Mr. Frost to know him. He has an office in my building, I understand. I would not say I do not know him, but I never have identified his face with the name of Frost.

Mr. WHEELER. What excited your suspicion when Doblin told you he had been with Frost?

Mr. QUIGG. Did you ask did I know who Frost was?

Mr. WHEELER. Yes.

Mr. QUIGG. I knew that Mr. Frost was an attorney in my building, and I know that he was identified with the Holland boat.

Mr. WHEELER. Before Doblin spoke to you about it?

Mr. QUIGG. Yes; I knew that.

Mr. WHEELER. Who told you that?

Mr. QUIGG. I do not know. The Holland boat office is in my building.

Mr. WHEELER. On the same floor with you?

Mr. QUIGG. On the same floor with me. I had an office on one floor, and Mr. Frost and, I think, the Holland boat were on the same floor.

Mr. WHEELER. Have you ever been in Frost's office?

Mr. QUIGG. I do not think I ever have been there.

Mr. WHEELER. How did you know his office was on that floor?

Mr. QUIGG. Because it was marked.

Mr. WHEELER. You had been on the same floor, then?

Mr. QUIGG. Yes.

Mr. WHEELER. What excited your suspicion when Doblin mentioned the name of Frost?

Mr. QUIGG. The fact that I knew Mr. Frost was identified with the Holland boat.

Mr. WHEELER. What excited your suspicion? You say your suspicions were aroused.

Mr. QUIGG. Yes; my suspicions were aroused.

Mr. WHEELER. What aroused them?

Mr. QUIGG. Simply the circumstance that Doblin mentioned his having met Mr. Frost. I could not see why Doblin should have met Mr. Frost. It did not strike me that Mr. Frost was the sort of a person that Doblin would be likely to meet.

Mr. WHEELER. What was there wrong in what Doblin did at that time?

Mr. QUIGG. The only thing that I know that was wrong that Doblin has done is what he said here to-day.

Mr. WHEELER. Up to that time you regarded him as quite an honorable young fellow, did you?

Mr. QUIGG. I knew nothing against him, and had no impression against him.

Mr. WHEELER. I understand you had a kind of nondescript idea as to his personal position; but you seem to indicate that you drew some sinister inference from the fact of that meeting.

Mr. QUIGG. I do not want to go as far as that. It just struck my mind, and that is all.

Mr. WHEELER. There was nothing in his conduct that led you to believe there had been any questionable connection between the two?

Mr. QUIGG. No, no.

Mr. WHEELER. Now, Mr. Quigg, you say the only connection you ever had with the Holland torpedo-boat people grew out of a request preferred by one Kerr made to you on the street when you were returning from a call on Senator Hanna?

Mr. QUIGG. No, in the hotel.

Mr. WHEELER. Not until you were returning from a call on Senator Hanna?

Mr. QUIGG. Yes, sir.

Mr. WHEELER. How long have you known Doctor Kerr?

Mr. QUIGG. I had known Mr. Kerr five or six years, I suppose.

Mr. WHEELER. Intimately?

Mr. QUIGG. Not intimately.

Mr. WHEELER. You say you knew him in connection with the pneumatic-tube service?

Mr. QUIGG. Yes.

Mr. WHEELER. Do you refer to the same service that acquired some malodorous notoriety in Congress a year or two ago?

Mr. QUIGG. I should not adopt that language. I knew him in connection with the pneumatic-tube service.

Mr. WHEELER. That is the tube service against which the present Secretary of the Navy made some charge on the floor of Congress in reference to it, is it not?

Mr. QUIGG. It is the same tube. I do not know that he made any charge.

Mr. WHEELER. If you prefer it I will say some statement.

Mr. QUIGG. Yes.

Mr. WHEELER. We will take it that way. Did you ever have any conference with Doctor Kerr on the subject of the pneumatic-tube business?

Mr. QUIGG. I never did.

Mr. WHEELER. Did you ever confer with him before on legislative matters, before this time you refer to?

Mr. QUIGG. No.

Mr. WHEELER. How many times had you seen him prior to that time?

Mr. QUIGG. Mr. Mulholland was a very warm personal friend of mine. We were colleagues together on the New York Tribune. I interested myself for the pneumatic tube when Mr. Mulholland was first pressing it very warmly, and in that way I saw Doctor Kerr. I never had any conference with him.

Mr. WHEELER. Did you see him quite frequently?

Mr. QUIGG. I would not say that he was my personal friend. I talked with Mr. Mulholland a great many times. He seemed to be with Mr. Mulholland all the time.

Mr. WHEELER. Was your acquaintance with him such as to justify him in preferring such a request of you?

Mr. QUIGG. No; I do not think it was.

Mr. WHEELER. But he called you up once or twice after that?

Mr. QUIGG. Yes; he persuaded me more or less at last; and I said I would go and see Lessler.

Mr. WHEELER. Had you ever called on Lessler to perform any political service for you, or any service of any character?

Mr. QUIGG. I do not recall that I did.

Mr. WHEELER. Did you see in the newspapers that the statement of Mr. Dobbin's, so far as it seems to be that of a money consideration for Mr. Lessler's work, is in dispute [illegible]?

Mr. QUIGG. I do [illegible]. There is no such statement in the statement—not a scintilla of it.

Mr. WHEELER. The statement of Mr. Dobbin is that he [illegible] that he greeted you on that occasion with the expression that money had to intervene for him, is an intended statement?

Mr. QUIGG. It is a lie, sir.

Mr. WHEELER. It is a lie?

Mr. QUIGG. Yes, sir.

Mr. WHEELER. You have corrected the statement as it appeared yesterday correctly?

Mr. QUIGG. Exactly yesterday. The first part of the statement with Lessler was about Mr. Mulholland; [illegible] I did mention the subject of the Holland boat.

Mr. WHEELER. You had no interest in this Holland boat?

Mr. QUIGG. Not the slightest.

Mr. WHEELER. And no stock in it?

Mr. QUIGG. Not the slightest.

Mr. WHEELER. You don't know any of the attorneys or counsel?

Mr. QUIGG. I do not know anybody. Another thing, I never said anything about Hunter, or mentioned any name whatever. I did not know General Hunton. I never saw him before.

Mr. WHEELER. How about Major Hunter here in Washington?

Mr. QUIGG. I do not know who he is.

Mr. RIXEY. You did not say it was for a friend in Virginia?

Mr. QUIGG. Not at all; I did not say who it was, except that it was a person whom I would like to oblige.

Mr. RIXEY. I would like to ask you this question. Mr. Doblin said that after you communicated to him your desire that he should secure Mr. Lessler's advocacy for these boats, you stated that there was $5,000 in it, and that something was said as to what he should get; that you said you would let him know later, and that he called you up about 3 o'clock over the phone.

Mr. QUIGG. There is absolutely no truth in it.

Mr. RIXEY. No truth in his statement that he called you up the second time?

Mr. QUIGG. Absolutely none. He never called me up on the telephone, and never made any such request. The only thing I ever asked of Mr. Doblin in connection with the matter was that he would let me know when Lessler was in town.

Mr. ROBERTS. I would like to ask Mr. Quigg, if in any of his conversations with Doblin, he referred to the Roberts bill for Holland submarine boats that was pending in Congress?

Mr. QUIGG. Whether I did or he did?—no; I did not know there was a Roberts bill.

Mr. ROBERTS. Did Mr. Doblin use the expression, in your presence, at any time, that there was a "Roberts bill" pending?

Mr. QUIGG. I do not know. I do not think so. Doblin, apparently, did not know anything more about it than that there was Holland torpedo-boat legislation pending.

Mr. DAYTON. Did you not introduce a bill at the last end of the last session?

Mr. ROBERTS. No; I think not.

Mr. DAYTON. Do you know a Mr. Rice, the president of this torpedo-boat company?

Mr. QUIGG. I do not, sir.

Mr. DAYTON. In your conversation with Mr. Lessler, was Mr. Rice's name mentioned?

Mr. QUIGG. Yes.

Mr. DAYTON. Just tell us what was said about Mr. Rice.

Mr. QUIGG. In connection with my statement that I had come to see him in behalf of a friend whom I should like to oblige, I said that it was not Mr. Rice or Mr. Frost. Now, whether that was drawn out by something Mr. Lessler said about Rice and Frost I do not know; but I remember that I made the statement that it was neither of them in whose behalf I had come there.

Mr. DAYTON. Did you say anything about your having had a difficulty with Rice?

Mr. QUIGG. With Rice? No.

Mr. DAYTON. You never knew Mr. Rice?

Mr. QUIGG. I never met Mr. Rice. I do not know that I ever saw him.

Mr. DAYTON. Would you know him to-day?

Mr. QUIGG. I should not; no, sir. Of course, Mr. Dayton, Mr. Rice and Mr. Frost have been coming up in the same elevator that I come up in for some time, and I may have seen them; but I have never identified either of them with their names.

Mr. DAYTON. In that conversation you did not say anything about having had, previously, some difficulty with Mr. Rice?

Mr. QUIGG. No.

Mr. DAYTON. Had Mr. Rice been in any trouble there in New York City?

Mr. QUIGG. Not that I know of. I do not know anything about Mr. Rice's affairs.

Mr. NICOLL. You have never been introduced to Mr. Rice?

Mr. QUIGG. I have never seen him.

Mr. NICOLL. Or to Mr. Frost?

Mr. QUIGG. No.

Mr. NICOLL. I want to ask you whether you have now, or ever have had, directly or indirectly, any interest or any pecuniary interest in the Holland torpedo boat?

Mr. QUIGG. Never; and have not now.

Mr. NICOLL. Or in the Holland Torpedo Boat Company?

Mr. QUIGG. No; nor in anything relating to the subject. It is as remote from me as the north pole. I do not know anything about it.

Mr. NICOLL. Had you any talk with your friend, Doctor Kerr, about money in connection with the Holland torpedo boat?

Mr. QUIGG. Of course not.

Mr. NICOLL. Not a word?

Mr. QUIGG. Not a word.

Mr. NICOLL. Did Doctor Kerr explain to you what interest he had in the matter?

Mr. QUIGG. No; he said he was interested in it.

Mr. NICOLL. He said he was interested?

Mr. QUIGG. He said he was interested.

Mr. NICOLL. What the nature of his interest was in it he did not communicate to you?

Mr. QUIGG. He did not, sir.

Mr. NICOLL. Has he since communicated to you what the nature of his interest was?

Mr. QUIGG. No, sir; but he has since told me that it was not a financial interest.

Mr. NICOLL. That he had no financial interest?

Mr. QUIGG. No.

Mr. DAYTON. I suggest that is mere hearsay. We will have the gentleman on the stand, if you want to prove that he had no interest.

Mr. NICOLL. I do not want to prove anything.

Mr. DAYTON. I would like very much to have somebody explain on behalf of this company, who the parties in interest are. the stockholders, and who their attorneys are all over this country.

Mr. ROBERTS. That has no bearing on this investigation.

Mr. DAYTON. I think it has.

Mr. NICOLL. I thought perhaps you might want Doctor Kerr. My understanding is that Kerr was a friend of Frost, and was trying to help him along, and had no interest in it whatever. So he told me. You can get him. He is right here, and ready to come at any time, so he said.

Did you hear the testimony of Mr. Lessler? At page 3 of the record, in answer to Mr. Tayler's question, "Tell us what occurred," he answered: "I started right in in that way—that there must not be any question of money."

"Q. What reply did he make?

"A. He stood silent; did not say anything."

Mr. QUIGG. There was no such statement or situation, or anything that resembled it.

Mr. NICOLL. Did you hear the statement of Doblin this morning that while sitting at lunch in the restaurant you said to him: "There is $5,000 in it?"

Mr. QUIGG. I heard the statement.

Mr. NICOLL. Did you ever make such a statement to Mr. Doblin?

Mr. QUIGG. No.

Mr. NICOLL. Did you ever make the statement to Doblin that there was $5,000 in it for Lessler or for anyone?

Mr. QUIGG. No.

Mr. NICOLL. Or that there was any money in it?

Mr. QUIGG. No.

Mr. NICOLL. For anyone?

Mr. QUIGG. No.

Mr. NICOLL. Did you hear the statement of Doblin that after that statement you went on to say, "I have forgotten you, but I will see if I can make a thousand for you?"

Mr. QUIGG. I did.

Mr. NICOLL. Was that statement true?

Mr. QUIGG. It was not true.

Mr. NICOLL. Did you make that statement to Doblin?

Mr. QUIGG. I never made that statement to Doblin.

Mr. NICOLL. Or the statement that you would try to see that there was something in it for him, or anything of that kind?

Mr. QUIGG. I never made any such statement; no, nothing of the sort.

Mr. NICOLL. Did you hear the statement of Doblin that on that afternoon, at 3.30 o'clock, he called you up on the telephone?

Mr. QUIGG. I heard the statement.

Mr. NICOLL. And that you said to him that would be all right, meaning the thousand dollars for him?

Mr. QUIGG. I heard the statement.

Mr. NICOLL. Did you ever make any such statement to him?

Mr. QUIGG. I never made any such statement at all.

Mr. NICOLL. Did he call you up on the telephone?

Mr. QUIGG. He did not call me up on the telephone, nor did I hear from him after the time when I told him I would like him to locate Lessler, until about a week afterwards.

Mr. NICOLL. Did you ever, directly or indirectly, either by express words or by suggestion, authorize Mr. Doblin, or suggest to Mr. Doblin, that he should make a corrupt proposition to Mr. Lessler to influence his action with regard to the Holland torpedo boat?

Mr. QUIGG. I never did, or any proposition whatever to Mr. Lessler, corrupt or otherwise.

Mr. DAYTON. Do you know Mr. Obermeier's street address in New York?

Mr. QUIGG. I do not, sir.

Mr. KITCHEN. His street address has been given.

Mr. VANDIVER. Mr. Quigg, you have said very exclusively that you made no proposition of a specific sum of money to Mr. Doblin nor to Mr. Lessler. Let me ask you if you, in any way, suggested to him the idea that there might be an advantage to him in supporting this proposition?

Mr. QUIGG. I would like to make the most sweeping as well as the most particular denial of the statement that I ever said anything to Doblin or to Lessler, or to either of them in respect to any money or other advantage that would come to them or either of them, from doing anything in connection with the matter. When I saw Lessler I concluded my conversation by saying to him that I had no request whatever to make of him, as I think he has testified.

Mr. VANDIVER. In your conversation with Mr. Lessler, you spoke a while ago of a part of the conversation being on the subject of politics and gossip of the district?

Mr. QUIGG. In a conversation with Doblin?

Mr. VANDIVER. I mean in your conversation with Doblin. In connection with that part of your conversation, did you in any way intimate to him that the political situation in the district would be influenced by his action in this matter?

Mr. QUIGG. No. He could not influence the situation in his district. There was nothing he could do to influence it.

Mr. RIXEY. Is not the question rather whether others could influence the condition in his district?

Mr. QUIGG. Your question was did I suggest to him that the political situation would be influenced by his compliance?

Mr. VANDIVER. Yes.

Mr. QUIGG. No.

Mr. RIXEY. You stated that you had quite a lengthy conversation with Mr. Lessler in regard to these boats?

Mr. QUIGG. Yes, sir.

Mr. RIXEY. In that conversation did Mr. Lessler refer to a visit which had been made to him by Mr. McCullagh?

Mr. QUIGG. No; he did not.

Mr. RIXEY. Do you remember having any talk with Mr. Lessler prior to Mr. McCullagh's visit to him, and as to what passed?

Mr. QUIGG. No, sir.

Mr. VANDIVER. You heard the statement of Mr. McCullagh in regard to Mr. Lessler's remarks about a lobby swarming here and the integrity of the committee. In your conversation with Mr. Lessler, you also referred to his remark along the same line, as to the lobby. Did he, in his conversation with you, say anything of the same nature that Mr. McCullagh quoted?

Mr. QUIGG. Yes. The only thing he said to me was this: That on the subject of the Holland torpedo boat this committee was divided into honest men and knaves, and that he could not be——

Mr. VANDIVER. That this committee would be divided into honest men and knaves?

Mr. QUIGG. Yes; and that he could not be in the wrong crowd. He made that statement. He talked generally and very violently about the lobby methods to which he said the company was resorting.

Mr. VANDIVER. There is one further question. You referred to the fact that subsequently to your conversation with Mr. Lessler, his friend, Mr. Doblin, visited your office again, and urged you to see Mr. Lessler again.

Mr. QUIGG. Yes, sir.

Mr. VANDIVER. Was it once or twice that he visited you, after your conversation with Lessler?

Mr. QUIGG. It was once by himself, and once with Mr. Obermeier.

Mr. VANDIVER. Twice altogether?

Mr. QUIGG. Yes.

Mr. VANDIVER. And in both instances he suggested your seeing Mr. Lessler again?

Mr. QUIGG. No; in the first instance he suggested to me to see Lessler, and the second visit was ostensibly, so far as words went, for the purpose of having me say to Mr. Obermeier that I would like Mr. Obermeier to do it.

Mr. VANDIVER. To see Mr. Lessler?

Mr. QUIGG. Yes.

Mr. VANDIVER. I do not know whether it is a legitimate question, strictly speaking, or not; but I would like an answer. What was your inference from the fact that Mr. Doblin, being a strong friend of Mr. Lessler, should continue to suggest to you the idea of influencing Mr. Lessler?

Mr. QUIGG. I did not, at that time, draw any particular inference from it. I simply thought that Doblin wanted to be serviceable and was a little too serviceable.

Mr. VANDIVER. A little too serviceable?

Mr. QUIGG. Yes; a little too active. I thought that it would be likely that he would interest himself in anything I wanted, so that it did not leave any impression on my mind. The only thing that struck my mind, at that time, was his remark about having seen Mr. Frost, and even as to that I dismissed it about as it was said.

Mr. KITCHIN. Did Mr. Lessler specify to you what members of the committee he would trust? I believe Mr. McCullagh said that he said there was only one man on the committee he would trust. Did he specify what member, by name?

Mr. QUIGG. I can not identify that gentleman. I will have to leave him in his isolation.

Now, Mr. Chairman, I do not know as I see, at this time, the motive of Doblin for what he has said here. I do not quite make it out. I do not know whether Doblin has seen anybody in connection with this enterprise, or what he has done. I do not understand it. But I deem it proper to say, not, of course, as a matter of testimony, that I served in three Congresses, with many of the members of this committee, and I can not believe that any member of this committee will believe what has been stated. I can not believe it.

Mr. DAYTON. You can not believe what? I did not understand you.

Mr. QUIGG. I said that I can not believe, Mr. Dayton, that any member of this committee, especially any member who served with me in other Congresses, who knows that such an imputation could not have lain against me, who has never seen me down here at Washington lobbying for anything, or seen me here, except in the most occasional way, and mostly of a social character, can believe such terrible statements. I beg you not to grind me between the millstones of interest, for or against, of this boat. You gentlemen have formed your opinion whether this boat is a good thing or whether it is not, whether you want to support it or whether you do not. But I want to beg that each one of you will put yourself in my position. You will know that a thousand requests are made of me in this way, as to this, that, and the other. You know how sometimes you consent to them, and then when you have consented and have promised, how you feel that you have got to do it, and how anyone of you may find yourself in the position I am in at this moment. I beg that you will remember that and that you will think of it. I thank you, gentlemen.

Mr. RIXEY. I would like to state that there is another Virginian here who wants to explain his connection with this matter. It is Major Hunter, who has been sitting here all day. He says that his home paper has, in some way, connected his name with this matter, and he would like to make some little statement.

Mr. KITCHIN. I think he ought to be heard, because his name was announced here as a witness on the first day.

TESTIMONY OF ROBERT W. HUNTER.

ROBERT W. HUNTER was duly sworn.

Mr. TAYLER. Have you ever heard of the Holland torpedo boat?

Mr. HUNTER. Yes.

Mr. TAYLER. Have you any interest in that proposition?

Mr. HUNTER. None in the world.

Mr. TAYLER. Have you any employment by them?

Mr. HUNTER. None whatever.

Mr. TAYLER. Have you ever undertaken to seek legislation in its interest?

Mr. HUNTER. None whatever—never.

Mr. TAYLER. You have no such interest, either directly or indirectly?

Mr. HUNTER. No, sir; either directly or indirectly.

Mr. TAYLER. You have made no effort to secure legislation?

Mr. HUNTER. Never.

Mr. TAYLER. Are you acquainted with Mr. Quigg, of New York?

Mr. HUNTER. I never met Mr. Quigg, of New York, until yesterday morning, in the reception room of your committee.

Mr. TAYLER. Did you ever hear of him before?

Mr. HUNTER. I have heard of him. I have seen his name in the papers. Not to have heard of Mr. Quigg would be to make a man out an unintelligent man, who did not read the newspapers. [Laughter.] I want to say to the committee that I find in the New York Herald and in the Washington Post a statement to the effect that General Hunton was called and it was explained to him that he was called because of the similarity between his name and the name of Hunter, mentioned by Mr. Lessler. The Herald says that Mr. Lessler said that Mr. Quigg has said that he had no interest in the Holland boat, but that a friend of his, a Mr. Hunter, of Virginia, as he remembered his name, was interested in it, and Mr. Quigg wanted to do him a favor. I do not care what the New York Herald or the Washington Post says; but the Alexandria Gazette [laughter] in my own home, makes this statement. This is a greater Alexandria than the Alexandria of Egypt, where the famous library was that was not given by our friend, Mr. Carnegie. The Alexandria Gazette makes this statement: "That he stood silent for a time and then explained that he had no interest in the Holland boat himself, but a man named Hunter, I think that was his name, asked him to see me about it." I just want to say to the committee that I did not, until yesterday, have the honor of any personal acquaintance with Mr. Quigg. I never met Mr. Lessler or Mr. Doblin. His name I had never heard of until I saw it in the papers.

Mr. TAYLER. Then you are not the Mr. Hunter referred to?

Mr. RIXEY. Is there any other Hunter in Virginia?

Mr. HUNTER. Well, I think there are. I have two sons by that name. I would not like to say that I was the most prominent Hunter who is now in Virginia.

Mr. MCCULLAGH. There is one omission that I made in my testimony which may not be important, but it seems to me that it requires a few words of explanation, and if you will allow me I will be sworn again.

The CHAIRMAN. That is not necessary. You have already been sworn.

Mr. MCCULLAGH. When this man made this remarkable statement about me——

Mr. LESSLER. Mr. Chairman, I wish you would caution the witness that he is to have a little regard for the amenities of this committee room.

Mr. KITCHIN. I do not think the witness should refer to him as "this man."

Mr. MCCULLAGH. As that gentleman, then, or Mr. Lessler, or as Congressman Lessler. I have quite an impulsive way of speaking. That is my nature, and I am a little bit warm, but I am not at all angry. When he made this remarkable statement to me I said to him: "Congressman, you are a young man, and if your statement is true I would not vote for that bill, if I were in your place; and you take my advice and don't do it." I went out. We left on the very best of terms. The gentleman walked with me, as I said before, to the elevator.

Mr. ROBERTS. Are there any other witnesses we can secure now?

Mr. RIXEY. Something was said, when we adjourned for recess, about Mr. Hertz wanting to make a statement.

Mr. ROBERTS. It was the sense of the committee that Mr. Hertz, who is present, would have nothing relevant to say in regard to the matter.

After discussion in regard to going into executive session, the committee adjourned for an executive session, and the further hearing of this investigation was adjourned until Monday, January 26, 1903, at 10.30 o'clock a. m.

WASHINGTON, D. C., *January 26, 1903.*

The committee met at 10.30 o'clock a. m., Hon. George Edmund Foss in the chair.

The CHAIRMAN. The first witness is Mr. Obermeier, who desires to take an early train back to New York.

TESTIMONY OF LEONARD J. OBERMEIER.

LEONARD J. OBERMEIER was sworn and examined.

Mr. TAYLER. Mr. Obermeier, are you acquainted with Philip Doblin?

Mr. OBERMEIER. I am.

Mr. TAYLER. How long have you known him?

Mr. OBERMEIER. I should say six or seven years.

Mr. TAYLER. Did you make a call with him on Mr. Quigg?

Mr. OBERMEIER. I did.

Mr. TAYLER. When was that?

Mr. OBERMEIER. The 8th day of January.

Mr. TAYLER. You may state what was the occasion of your calling on him at that time.

Mr. OBERMEIER. The way in which I came to call on Mr. Quigg with Mr. Doblin was this: My relations with Mr. Lessler had been very intimate, very friendly. Mr. Doblin, who is also very much interested in Mr. Lessler, and desirous in the way of advancing his interests, suggested to me that it might be possible to gain Mr. Quigg's good will for Mr. Lessler by possibly urging upon Mr. Lessler the advisability or desirability of voting affirmatively in favor of an appropriation for some Holland submarine torpedo boats. It appears, if my memory serves me in good stead, that Mr. Doblin had spoken to Mr. Quigg before this time about this matter, and that nothing had come of it at all; and it occurred to Mr. Doblin that perhaps, in view of my friendship with Lessler, I might be able, perhaps, to urge upon him the advisability of voting for an appropriation for those boats. I called with Mr. Doblin on Mr. Quigg and explained that I was very anxious if I possibly could—I was very anxious to do anything that might be of service to Mr. Lessler in the way of furthering his political interests. I told Mr. Quigg, and repeat it now, that I considered his political friendship as something distinctly worth having, and that if I could serve him in any way I should be very pleased so to do. Mr. Quigg answered me, and he has so testified before your committee, because I have seen his testimony, that he had already made a request in connection with this matter upon Mr. Lessler and had met with a refusal and that he was not in the habit of repeating his requests after having failed in the first attempt. I told Mr. Quigg that was—Mr. Quigg added that he had no personal interest in the matter of any kind; that he had been asked by some friend to see if perhaps he could get Mr. Lessler to change his position, which he understood was one of fixed opposition to this scheme, and that he did not know that he had anything further to say. I answered Mr. Quigg and said that I was going to Washington on business, and that while in Washington I should take occasion to talk with Mr. Lessler, and possibly urge upon him any argument which occurred to me which might induce him to change his position; that while I did not feel that I should succeed, I should at least make the attempt.

Mr. TAYLER. Have you stated all that occurred, that you remember?

Mr. OBERMEIER. I have not given the detail of the conversation.

Mr. TAYLER. Well, the substance of it.

Mr. OBERMEIER. The substance of it was—I could give some further details of the actual talk. I think, if I remember rightly, that Mr. Quigg added that he was not trying to serve any of the gentlemen who were connected with the Holland Boat Company; that the directors were all very estimable gentlemen who served their purpose in the directorate admirably, but that he had no connection with any of them, and did not represent any of those interests.

Mr. TAYLER. Is that the only conversation you had with Mr. Quigg?

Mr. OBERMEIER. That is the only conversation I had with Mr. Quigg.

Mr. TAYLER. That is all I desire to ask.

Mr. RIXEY. I would like to ask a question, Mr. Chairman.

The CHAIRMAN. Mr. Rixey.

Mr. RIXEY. Did you communicate to Mr. Lessler what Mr. Quigg had said?

Mr. OBERMEIER. When I came to Washington I spoke to Mr. Lessler. It may have been the day after my arrival. I was here all of the week of the 12th of

this month. I spoke to him about it—merely mentioned it. I started to advance certain arguments that occurred to me, and he told me to quit, that he had heard enough of the subject. If you care to, I can repeat those arguments now.

Mr. RIXEY. Did you tell him how you came from Mr. Quigg?

Mr. OBERMEIER. I told him I had seen Mr. Quigg. I didn't come on that particular business.

Mr. RIXEY. Did you tell him you came at the instance and request of Mr. Quigg, to see him about those boats?

Mr. OBERMEIER. My answer to that might be misleading if I answered the question boldly. I was stopping at the Normandie Hotel, and I saw Lessler every day to my stay here, and told him I had seen Mr. Quigg in New York City.

Mr. RIXEY. Did you tell him Mr. Quigg requested you to see him about these boats?

Mr. OBERMEIER. I don't think Mr. Quigg had requested me to see him on this matter. I had been asked to see Mr. Quigg by Doblin, and I had told Mr. Quigg that I would talk to Mr. Lessler. I don't understand Mr. Quigg as having made a positive request of me.

Mr. RIXEY. How did Lessler understand then that you were talking with him about the Holland boat? Did he bring the subject up to you?

Mr. OBERMEIER. No; I brought the subject up to him.

Mr. RIXEY. How did he understand you were interested in the subject?

Mr. OBERMEIER. Simply because I told him I had seen Mr. Quigg, and I started to tell him I had seen Mr. Quigg because I believed Mr. Quigg was a man distinctly worthy gaining favor with, and Mr. Lessler immediately told me that he didn't care to hear anything on the matter; that he had been approached from various sources and that he was getting tired of it. I think he added: "I want you to quit now, because somebody will get hurt if this thing don't stop."

Mr. RIXEY. That is the point I wanted to ask you about. You said you told him you thought it was distinctly to anyone's interest to have Mr. Quigg's influence, but why should you make that statement unless you stated to him that Mr. Quigg was very much interested in this subject?

Mr. OBERMEIER. That is not so.

Mr. RIXEY. How is it? Just explain that matter. You stated to him that you had seen Mr. Quigg and that Mr. Quigg's influence was worth having. Why did you make that statement to him unless you stated that Mr. Quigg had requested you to see him? Why should you bring Mr. Quigg's name into it at all?

Mr. OBERMEIER. For the simple reason that I had seen Mr. Quigg, and I had seen Mr. Quigg because——

Mr. RIXEY. You had seen him on this subject, had you not?

Mr. OBERMEIER. Yes.

Mr. RIXEY. And that in pursuance of that interview with Mr. Quigg you were then seeing Mr. Lessler?

Mr. OBERMEIER. Well, I didn't put it in that form—in the form of any deduction of that sort. I presume it could be interpreted that way.

Mr. RIXEY. Then in your conversation with Mr. Lessler, when he said he wanted you to stop, that somebody might get hurt, did he tell you he had been approached with an offer of a bribe?

Mr. OBERMEIER. No; he didn't go any further into details. I know that Mr. Lessler, by the way, had been approached months before, by McCullagh, because I had no earthly interest in the matter.

Mr. RIXEY. Prior to this conversation, did you know that Mr. Lessler had been approached with an offer of a bribe?

Mr. OBERMEIER. I had heard so; yes.

Mr. RIXEY. From whom did you hear it?

Mr. OBERMEIER. Not with an offer of a bribe, possibly, I had been approached. Mr. Quigg himself told me he had seen Mr. Lessler and that he had met with a refusal so far as a change of position on Mr. Lessler's part was concerned.

Mr. RIXEY. Did you ever know of the facts as testified to here by Doblin, that Mr. Lessler had been approached with an offer of a bribe?

Mr. OBERMEIER. No; I ascertained that subsequently, by reading of it.

Mr. RIXEY. Did you have an intimation of that prior to the interview you had with Lessler?

Mr. OBERMEIER. You mean the interview in Washington here with Mr. Lessler?

Mr. RIXEY. Yes.

Mr. OBERMEIER. I had an intimation of it; yes.

Mr. RIXEY. From whom did you have that intimation?

Mr. OBERMEIER. I had seen Doblin and heard so from him.

Mr. RIXEY. You had heard so from him. Tell us what Doblin told you at that interview, and when it was.

Mr. BUTLER. That is right; when it was.

Mr. OBERMEIER. Oh, I should say, offhand, it was a few days subsequent to the time I had seen Mr. Quigg.

Mr. RIXEY. You saw Quigg on the 9th?

Mr. OBERMEIER. I think I said on the 9th.

Mr. RIXEY. I believe you did.

Mr. BUTLER. The 8th of January.

Mr. OBERMEIER. I should say it was a day or so subsequently. I happened to know the date of that meeting because I jotted down the date of an interview which Mr. Doblin made for me.

Mr. RIXEY. State what occurred at the interview with Doblin on a day or two subsequent to the 9th.

Mr. OBERMEIER. If I remember right, Doblin said to me that there had been talk—he gave me no particulars—there had been talk of money in connection with this attempt to gain a vote for this appropriation—to gain Mr. Lessler's vote in the committee for this appropriation. I think his exact words were, "there is nothing in it," or something of that sort; that he believed that if the end was to be gained at all it was to be gained on the ground of friendship and on the ground of appeal to him to do this thing as a personal favor. He came to me—Mr. Doblin it was who made the appointment for me to see Mr. Quigg—he came to me and told me that because of my close relations with Mr. Lessler—I had charge of his two campaigns, and our relations were very intimate; our offices are in adjoining rooms on Nassau street—he came to see me and said, "I would like you to see Mr. Quigg and talk it over with him." No; he asked me whether I thought Mr. Lessler's position could possibly be changed. I told him I didn't know. He said, "I will see about this and let you know." He came back—no; I am mixing two conversations. That was the conversation in which he made the appointment for me to see Mr. Quigg. That had nothing to do with his talk about this matter. That came out subsequently. It was after I had had this talk with Mr. Quigg, in which Mr. Quigg spoke to me in the manner I have outlined.

Mr. RIXEY. I understand. Well, you had the talk with Mr. Quigg?

Mr. OBERMEIER. It was after that talk that Doblin told me that there had been talk of money in connection with it.

Mr. RIXEY. That is exactly what you stated in the beginning. It was after that?

Mr. OBERMEIER. Yes.

Mr. RIXEY. Now I want to know what passed between you and Doblin in that conversation.

Mr. OBERMEIER. Doblin urged upon me the desirability or the good that could be gained in case Mr. Lessler changed his vote. Mr. Doblin said, "Mr. Quigg is a man of great influence, and he can be of great assistance in a dozen ways. Now, if Lessler can be gotten to change his vote in this matter, I think Mr. Quigg's good will can be gained, and I think it is something worth having."

Mr. BUTLER. Did you say something would happen?

Mr. OBERMEIER. Something worth having.

Mr. RIXEY. You stated a few moments ago that you had some intimation from Mr. Obermeier——

Mr. OBERMEIER. No; that is my name.

Mr. RIXEY. I mean from Mr. Doblin in regard to the fact that Mr. Lessler had been approached by the offer of a bribe. Now, I want you to tell me what had passed between you and Doblin in regard to that matter.

Mr. OBERMEIER. I have stated it. Mr. Doblin told me there had been such an approach made, and he added "There is nothing doing" or "Nothing in it." That is all.

Mr. RIXEY. Did he mean by "nothing in it" that it was not true that he had been approached?

Mr. OBERMEIER. No; I understood him to mean that the attempt had been unsuccessful; had been met with a rebuff.

Mr. RIXEY. You are a brother-in-law of Mr. Lessler, are you not?

Mr. OBERMEIER. No, sir.

Mr. RIXEY. I beg your pardon. I was under that impression. You are an intimate friend of Mr. Lessler?

Mr. OBERMEIER. Yes, sir; that is all.

Mr. RIXEY. As an intimate friend of Mr. Lessler, when he told you there had been an attempt at a bribe, did you not follow up the conversation and ask him to give you the particulars?

Mr. OBERMEIER. No.

Mr. RIXEY. You did not?

Mr. OBERMEIER. I did not. I didn't feel the slightest interest in the matter.

Mr. RIXEY. Although you are an intimate friend of Mr. Lessler?

Mr. OBERMEIER. The mere fact that he had been approached by an offer of a bribe by somebody didn't interest me particularly. I had no desire to follow up that statement.

Mr. RIXEY. You did not, when this gentleman told you it was very important to secure Mr. Lessler's vote; that there was nothing in a bribe, at least it could not be secured in that way; and your services as a friend were engaged to secure his influence?

Mr. OBERMEIER. My services as a friend might succeed in securing it that way.

Mr. RIXEY. And you did not make any inquiry as to the details?

Mr. OBERMEIER. None whatever.

Mr. RIXEY. Passing from that to your conversation with Mr. Lessler here in the city, did Mr. Lessler refer to that fact at all, that he had been approached with the offer of a bribe?

Mr. OBERMEIER. Mr. Lessler told me that people had been up at him from all quarters. And he added, I am almost certain that he added he had been approached with money offers, and he said, "And if this thing don't stop, somebody will get hurt."

Mr. RIXEY. Did Mr. Lessler tell you who had approached him in that way?

Mr. OBERMEIER. He did not. He ordered me himself to quit the talk, so that I didn't follow it up.

Mr. RIXEY. Did you ask him?

Mr. OBERMEIER. No.

Mr. RIXEY. In your conversation with Mr. Doblin, did he tell you who had made this offer to Mr. Lessler?

Mr. OBERMEIER. He did not.

Mr. RIXEY. Did he say anything about it having been made through him?

Mr. OBERMEIER. He did not. I was just going to add that. He not only did not say he did not offer it, but he did not tell me.

Mr. MUDD. Did he mention Quigg's name in that conncetion at all?

Mr. OBERMEIER. He did not.

Mr. MUDD. In connection with the money offer?

Mr. OBERMEIER. No, sir.

Mr. ROBERTS. You have never been present when there has been any conversation about a bribe being offered to Mr. Lessler?

Mr. OBERMEIER. I never was present at any such conversation.

Mr. ROBERTS. And what you say of Doblin's story that an attempt had been made to use money is merely hearsay?

Mr. OBERMEIER. Merely a statement by Doblin—call it anything you will.

Mr. ROBERTS. You have no personal knowledge of that?

Mr. OBERMEIER. I have no personal knowledge of a conversation when an offer of money was made by anybody through anybody else in connection with this matter.

Mr. ROBERTS. You said something about reading the testimony and gathering from that that Mr. Quigg had no interest in this Holland submarine proposition. Am I correct in that?

Mr. OBERMEIER. I said I had seen this testimony. Let me add, by the way, that I saw it in the chairman's room this morning, and that I saw in the paragraph in which my name was mentioned that Mr. Quigg there said he had said to me that he had no interest in the matter except trying to serve his friend; and I say again that is all he said to me.

Mr. ROBERTS. You state that from your own recollection, and not alone from reading the testimony?

Mr. OBERMEIER. My own recollection, positively.

Mr. ROBERTS. Am I correct in my understanding that at this conference with Mr. Quigg, when Doblin was present, you volunteered to go to Mr. Lessler and *urge his support?*

Mr. OBERMEIER. I distinctly volunteered to go to Mr. Lessler.

Mr. ROBERTS. And that Mr. Quigg made absolutely no request of you in the premises?

Mr. OBERMEIER. Not at all. When I outlined my position Mr. Quigg said, "I should be glad if you would talk to Mr. Lessler," and that was the sum total of the conversation. We then shifted off, if I remember rightly——

Mr. ROBERTS. He made no request of you in the matter, and I also understand that at the time you were talking to Mr. Quigg you knew, through Mr. Doblin, that an attempt had been made to bribe Mr. Lessler?

Mr. OBERMEIER. I think so. I said it may have been a day or so later. I will not be positive on that point. I think I may have known of it at that time already that somebody had spoken to him.

Mr. ROBERTS. From whom did you first learn that an attempt had been made to bribe Mr. Lessler?

Mr. OBERMEIER. I think from Doblin.

Mr. ROBERTS. Did Mr. Lessler ever say anything to you about it?

Mr. OBERMEIER. I think Mr. Lessler, in his talk to me in Washington week before last, mentioned it to me. I am sure he mentioned it to me when he told me "they have been up against me in various quarters, and there is money in this thing, and I want you to quit; quit. If this thing don't quit, somebody is going to get hurt."

Mr. ROBERTS. When you were talking with Mr. Lessler here in Washington—it was the week of the 12th, I understood you to say?

Mr. OBERMEIER. Yes.

Mr. ROBERTS. And you were explaining to him that Mr. Quigg had requested you to talk with him about the Holland boat proposition. You knew that he had been approached with a bribe?

Mr. OBERMEIER. Yes.

Mr. ROBERTS. From Mr. Doblin?

Mr. OBERMEIER. Yes.

Mr. ROBERTS. And Mr. Lessler then and there told you also that somebody had approached him with a bribe?

Mr. OBERMEIER. I don't remember whether he said he had been approached. He said: "There has been money in this thing and I want to hear no more of it."

Mr. ROBERTS Did Mr. Lessler indicate in any way to you who had approached him, or the source from which it had come?

Mr. OBERMEIER. I think not. I am sure not. He didn't state it to me.

Mr. ROBERTS. He did not indicate to you in the conversation in any way the source from which it had come?

Mr. OBERMEIER. No, sir.

Mr. ROBERTS. Did it occur to you when Mr. Lessler absolutely refused to hear you, his friend, in the discussion of this proposition—because improper methods had been resorted to, that an explanation was due from you as to why you came to him?

Mr. OBERMEIER. Mr. Lessler asked me how I came to speak of this thing, and I had told him that Doblin had arranged a meeting with Mr. Quigg; and I told him, and I told him I believed, and again I repeated, that I believed Mr. Quigg's friendship a thing distinctly worth having, and I believed Mr. Quigg, like every other man, would be grateful in case this affirmative vote could be secured.

Mr. ROBERTS. Did Mr. Lessler seem at all surprised when you stated that Doblin had asked you to see Quigg and then see him? Did he express surprise at all?

Mr. OBERMEIER. I don't remember what his comment was at the time.

Mr. ROBERTS. Did he go on to say anything about Doblin, or drop him right there?

Mr. OBERMEIER. He said to me: "So you have seen Quigg, too," or something of that sort.

Mr. ROBERTS. He did not express any surprise that Doblin should be pursuing you in the matter?

Mr. OBERMEIER. No.

Mr. ROBERTS. Trying to get you to interest yourself?

Mr. OBERMEIER. No.

Mr. ROBERTS. Did Mr. Doblin, in any of his talks with you in this matter, ever say or intimate to you that he was to get any money out of it himself?

Mr. OBERMEIER. No; I didn't know that. I learned of that afterwards.

Mr. ROBERTS. When?

Mr. OBERMEIER. I think it was Mr. Lessler himself who told me that Doblin had stated to him—I am sure that Mr. Lessler stated to him—I am sure that Mr. Lessler stated to me that Doblin had told him that he would get some money in case his vote could be secured.

Mr. ROBERTS. When did Mr. Lessler tell you this?

Mr. OBERMEIER. During, I think it was, the time of our talk, when I stated——

Mr. ROBERTS. At the time of your talk in Washington?

Mr. OBERMEIER. Yes. When I had stated I had seen Mr. Quigg through Doblin he stated: "Why, Doblin, told me there is money in this for him," and I think he named a sum which I have forgotten—$500 or $1,000, or something.

Mr. ROBERTS. Now, your interest in the whole matter was to further Mr. Lessler's political interests, if I understand you?

Mr. OBERMEIER. If you want a very full answer to that I will give it to you.

Mr. ROBERTS. I am asking you what your statement was?

Mr. OBERMEIER. Yes.

Mr. ROBERTS. If you will pardon me a moment——

Mr. WHEELER. Let him answer.

Mr. ROBERTS. He has answered.

Mr. OBERMEIER. I will tell you just how those interests could have been subserved, in my opinion.

Mr. ROBERTS. The witness has made a statement, and I want to inquire in regard to that statement. What political interests did Mr. Lessler have the first day of January that could or would be furthered?

Mr. OBERMEIER. None.

Mr. ROBERTS. Mr. Quigg you knew to be out of politics?

Mr. OBERMEIER. In so far as any man who is reputed and who is believed, and I think correctly believed, to possess political influence, is out of politics.

Mr. ROBERTS. Mr. Lessler was a man who had been defeated at the polls?

Mr. OBERMEIER. Surely. That is a matter of record.

Mr. ROBERTS. What political interests could he have which you could further in that way?

Mr. OBERMEIER. I had hoped to enlist Mr. Quigg's support in securing, when the time came, or when the time shall have come, for Mr. Lessler a nomination in a Republican district in New York City.

Mr. BUTLER. Had you learned at this time that Mr. Quigg had been unable or had declined to indorse Mr. Doblin for a $200 job?

Mr. OBERMEIER. No, sir; I had not. I don't know anything about anybody's $200 job.

Mr. BUTLER. You may not know anything about anything that is as small as that, but there is a statement here that he had declined to indorse for him for a $200 job, and you evidently thought he might be able to secure his nomination for Congress in some other district.

Mr. OBERMEIER. What connection has Doblin's $250 job got with anybody's nomination?

Mr. BUTLER. I am asking you the question. If he could not get a man a $200 job, what influence could he have to secure his nomination to Congress?

Mr. OBERMEIER. That question strikes me as being rather irrelevant.

Mr. VANDIVER. I want to ask a question or two bearing on the point he has already brought out. Who was the first person, Mr. Obermeier, who mentioned to you the desirability of bringing Mr. Lessler to Mr. Quigg's way of thinking on this subject.

Mr. OBERMEIER. Mr. Doblin.

Mr. VANDIVER. And in that conversation Mr. Doblin requested you to go with him to see Mr. Quigg?

Mr. OBERMEIER. He so did.

Mr. VANDIVER. Did you know at that time, or had you any intimation in any way that led you to believe at that time that Mr. Doblin was expecting to get any money out of the matter?

Mr. OBERMEIER. No, sir; I didn't know at that time that Mr. Doblin either directly or indirectly was to procure a penny from anybody.

Mr. VANDIVER. But Mr. Doblin was the man who was instrumental in getting you interested in the matter?

Mr. OBERMEIER. Mr. Doblin certainly was. He was the first and only man *that spoke to me* about the matter, and about going to see Mr. Quigg.

Mr. VANDIVER. Now, one other question. You referred to having read the testimony there. You perhaps read the statement made in Mr. Quigg's testimony that when you and Mr. Doblin approached him on the subject with the suggestion that you might be able to bring Mr. Lessler over to the other side, that you were coming down to Washington and would see him, and so on, when Mr. Quigg said he had no further request to make of Mr. Lessler, did he say anything further to indicate that he would like to have you try your influence on him?

Mr. OBERMEIER. Yes; he said he should be very glad if I would talk to Mr. Lessler and see if I could change his position.

Mr. VANDIVER. He made no request that you do so?

Mr. OBERMEIER. No positive request; no.

STATEMENT OF MR. GUSTAVUS A. ROGERS.

Mr. ROGERS. If Mr. Nicoll will permit me to interrupt the proceedings for a moment, I want to introduce myself to the committee. I have already introduced myself to the chairman. I appear here with Mr. Philip Doblin to-day as his counsel. I am Mr. Rogers of New York. Mr. Doblin came to me yesterday, on the advice of his family, as he stated, to seek my advice and have a conference. As a result of that conference Mr. Doblin has made a written statement which I have in my possession now, and which he desires——

Mr. TATE. Let us get through with this witness.

Mr. ROGERS. If Mr. Nicoll has no objection——

Mr. NICOLL. I have no objection. I have no questions to ask the witness myself.

Mr. BUTLER. Have you read Mr. Doblin's statement?

Mr. ROGERS. I have read Mr. Doblin's statement generally in the newspaper, and have gotten from him generally what he has testified to.

Mr. BUTLER. Let me ask you what is your relation with Mr. Doblin?

Mr. ROGERS. I am his counsel.

Mr. BUTLER. Employed to represent him in this matter?

Mr. ROGERS. Yes, sir; and by the courtesy of the committee I would like to represent him here.

Mr. TATE. I do not know of anything that is before this committee about Mr. Doblin. We have disposed of the matter.

Mr. ROGERS. Excepting this, Mr. Chairman.

Mr. LOUDENSLAGER. Mr. Chairman, I think we had better finish with this witness before we have anything else interjected into the proceedings.

Mr. ROGERS. I thought Mr. Nicoll had agreed to permit me to interrupt him.

The CHAIRMAN. I think we had better finish with the witness.

Mr. NICOLL. There is only one question, Mr. Obermeier. You say Mr. Lessler told you that Doblin said to him after there was money in it for him?

Mr. OBERMEIER. Pardon me.

Mr. NICOLL. I say you testified that Mr. Lessler had told you that Doblin said there was money in it for him—Doblin.

Mr. OBERMEIER. Yes; so Mr. Lessler told me.

Mr. NICOLL. What was the date he told you that?

Mr. OBERMEIER. Here in Washington.

Mr. NICOLL. When?

Mr. OBERMEIER. Why, during that week. I can't tell which particular day.

Mr. NICOLL. It was after you came here?

Mr. OBERMEIER. Oh, yes; after.

Mr. NICOLL. On some day within a week from the 8th?

Mr. OBERMEIER. Yes.

Mr. RIXEY. I would like to ask the witness this question: I understood you to say a few moments ago that you did not know that Doblin claimed there was any money in this for him.

Mr. OBERMEIER. No.

Mr. RIXEY. What do I understand by "No?"

Mr. OBERMEIER. From Doblin. You asked me at the time I saw Mr. Quigg. The question was put to me, did I know there was money in it for Mr. Doblin, and I said no.

Mr. RIXEY. I am under the impression that you said that Mr. Lessler informed you that he had been approached with an offer of a bribe——

Mr. VANDIVER. Subsequently?

Mr. RIXEY. Subsequently, of course.

Mr. OBERMEIER. Yes.

Mr. RIXEY. Did Mr. Lessler in that conversation tell you that not only had he been approached by an offer of a bribe, but that Mr. Doblin was also interested in the matter?

Mr. OBERMEIER. I think so. I think it was at that time, in the course of that general conversation?

Mr. RIXEY. That both had been approached?

Mr. OBERMEIER. Yes, sir.

Mr. WHEELER. Mr. Chairman, I would like to ask a question.

The CHAIRMAN. Mr. Wheeler.

Mr. WHEELER. If my recollection is at fault, of course you can correct me, Mr. Obermeier. I believe you stated that when you approached Lessler, he replied or opened the conversation by saying, "So you have seen Quigg, too. Is that correct?"

Mr. OBERMEIER. These may not be the exact words, but something of that sort.

Mr. WHEELER. And in the same conversation he told you that money had been offered to him—in substance that money had been offered to him.

Mr. OBERMEIER. Yes, yes.

Mr. WHEELER. And that Doblin was to get money also?

Mr. OBERMEIER. I think it was in that same general conversation he made that remark; yes.

Mr. MUDD. You say he said "So you have seen Quigg" before you mentioned that you had seen Quigg.

Mr. OBERMEIER. I beg your pardon.

Mr. MUDD. Did he make that remark "So you have seen Quigg, too," before you mentioned that you had seen Mr. Quigg?

Mr. OBERMEIER. No; after. When I first told him about it, I knew that Mr. Quigg had seen Mr. Lessler because Mr. Quigg had so stated to me.

Mr. MUDD. He remarked "So you have seen Quigg, too," after you told him that?

Mr. OBERMEIER. Yes.

The CHAIRMAN. If there are no further questions we will hear Mr. Rogers.

Mr. ROGERS. I was about to say, if I may be permitted, that Mr. Doblin called upon me yesterday, as I have already said, for the purpose of having a conference. He told me he came there on the advice of his family. He said he had given testimony before this committee on Saturday. He said a portion of that testimony was true and a large portion was not true; that it was false.

Mr. WHEELER. I object to hearing anything of that kind. We want Doblin present.

Mr. ROGERS. Mr. Doblin is here.

Mr. WHEELER. Let us have him here, and in charge of this committee.

Mr. ROBERTS. Let him go back on the stand.

Mr. VANDIVER. Please repeat that statement you made just now.

Mr. ROGERS. I said Mr. Doblin stated to me that some of the testimony he gave before this committee was true; that some of it was not true, and was false; and I want to say at this point, gentlemen of the committee, that after I have finished my statement to you Mr. Doblin will be before this committee, upon my advice, and answer any questions that the committee may desire to put to him now.

Mr. WHEELER. Let us have Mr. Doblin here now, before you make his statement.

Mr. KITCHIN. I think it is all right to hear the statement.

Mr. ROGERS. Mr. Chairman and gentlemen, I do not desire to appear to be persistent. Perhaps after I have finished this committee may conclude it does not want to hear Mr. Doblin. Perhaps what I have to say may be so irrelevant and foreign and immaterial to the issue here that this committee may not want to hear Mr. Doblin. After I finish, if the committee is of that opinion, as I am, that Mr. Doblin ought to be heard, or examined, or cross-examined, he may appear for that purpose. He is in the room now.

Mr. TATE. If he wants to change his testimony, let him go on the stand and state it.

Mr. WHEELER. We want to observe the ordinary rules of procedure here. If the witness has made a false statement, let him correct it, and if he wants to retract what he has said, let him retract it; but I do not want any third-party testimony. One of the fundamental rules of law is that that testimony is first admissible which is the best testimony. If Mr. Doblin wants to correct his former testimony, let him take the stand and do so. I do not think it would be right to hear an affidavit on that subject until we hear Mr. Doblin.

Mr. ROBERTS. Just a moment, Mr. Chairman, if Mr. Wheeler is through. I agree in the main with Mr. Wheeler that this whole hearing and investigation should have been conducted on strictly legal lines. Mr. Wheeler will bear me out that it was my strong effort when we started in to have it carried out on legal and technical lines. It has not been carried out on those lines. All sorts of irrelevant and hearsay testimony has been admitted here without the slightest protest. Now, it seems to me perfectly fair and proper and competent for Mr. Doblin's counsel to make a preliminary statement to this committee, and then the committee, as he has said, can determine for themselves whether they want to put Mr. Doblin under oath again or whether they are satisfied to brush the whole statement aside, made by counsel, or what course they will pursue in the premises. I move that Mr.——What is your name?

Mr. ROGERS. Gustavus A. Rogers.

Mr. ROBERTS. That Mr. Rogers be allowed to proceed with the statement he has begun, and which he desires to make.

Mr. RIXEY. I would suggest that he be allowed to make his statement as counsel, and when he offers this affidavit we can then decide that matter.

Mr. WHEELER. I do not object to that at all.

The CHAIRMAN. I do not understand he is trying to testify for Mr. Doblin.

Mr. RIXEY. But he has an affidavit, and we must pass upon the reading of that when he offers it.

Mr. KITCHIN. It would be very much like the affidavit that Mr. McCullagh was allowed to read here. He was allowed to read it and it was put in the record.

Mr. ROGERS. Perhaps I can clarify the situation somewhat by saying it never was my intention to offer this affidavit nor to read it. I think the distinguished Congressman, Mr. Wheeler, is correct when he says the rules of evidence are that I can not give evidence for Mr. Doblin. I do not propose to do so. I simply had this statement in my hand for the purpose of exhibiting it and considering it in my statement generally to the committee. It is a sworn statement here that Mr. Doblin voluntarily makes, and what he has said in this written statement he is willing to tell you gentlemen if he is called here to-day. If anything he should say reflects in any way upon Mr. Lessler I am exceedingly sorry for it. No one regrets it more than I do, because I have always prized Mr. Lessler's friendship very highly. I have known him very well, and nothing said here now is intended to reflect in any way upon Mr. Lessler. I am simply carrying out my duty as the attorney for Mr. Doblin, and he is here, in the interests of justice, to right a wrong which he thinks he has committed against Mr. Quigg; and, generally, Mr. Doblin, with the permission of this committee, would like to go back upon the witness stand and say that he never had any——

Mr. MUDD. Do not tell what he is going to say.

Mr. TAYLER. Mr. Chairman, I object. We want the truth, and I as much as any man on this committee want the truth. I do not think any question I have asked in this examination has indicated any other desire. Now let us get the truth, and we can not get the truth from the lips of counsel, because he is not qualified to speak the truth. He can speak as counsel, but he is not here under oath. Nobody can be presumed to speak here as to facts unless he is under oath, and when under oath only as to facts that are relevant and competent. If an injustice has been done let us see that that is wiped out at the first possible moment. If Doblin has said anything that is unfair to Mr. Quigg, let him be swift to take that chair. Do not let us wait for some counsel to say something here which is to the last degree a work of supererogation. I demand that Doblin take the stand.

Mr. ROGERS. Mr. Chairman, may I have a word to say?

Mr. KITCHIN. Let us hear the statement of the counsel.

Mr. VANDIVER. I think, Mr. Chairman, as we have had counsel appear here on you may say both sides of this matter to state their case, and as Mr. Doblin is certainly very seriously implicated in this matter, it may be a very serious matter to him; we should permit his counsel to speak.

The CHAIRMAN. Let Mr. Doblin take the stand.

Mr. BUTLER. Mr. Nicoll, as counsel for Mr. Quigg, has not made any statement. He simply cross-examined witnesses.

Mr. WHEELER. We do not want counsel to be marking out the line of procedure for this witness. Let him take the stand and testify himself.

Mr. VANDIVER. Allow me to ask, Mr. Chairman, not professing much knowledge of the law, if it is not customary even in criminal courts to allow the counsel to outline to the jury what he is going to prove in his testimony?

of mine, and the members of the committee, and all there will be to it, they will report to the whole committee, and there won't be anything further to it." The Congressman left the room. I laid on the sofa; took the paper again and read it over, and in about half hour or three-quarters, it may have been a little more or less, in comes Son. He says, "You come along with me, and we will get into the Capitol all right. Nobody will see you. You will be able to go up through a side elevator, which is right close to the Naval Committee door, and you can get in and I will see that nobody sees you." I came to the door, and—that is, I was on the elevator door there, standing at the door, and Son says, "Wait a minute." Son came in this door, and in quite a few minutes the elevator was about to go down, and Son came out of the door and I says, "Just a minute, Mr. Elevator Man," and Son came out and he took me to the other room, and the door opened. I think it was Mr. Foss came to the door, and the other gentlemen were standing about, and Son says, "This is Mr. Doblin," or something to that effect. I don't know the exact language. The other gentlemen all shook hands with me and had me take a seat. I sat down, and after a little time Mr. Foss handed me a cigar. I took the cigar and smoked it. It made me feel agreeable to conversations I had with Lessler, that these were possibly friends of his, and he was inclined to be a good fellow anyhow. He specially was to me from time to time, and I took it for granted that it was all right; and the first thing I know one of the gentlemen of the committee—I had explained my relations in politics in New York City and how long I had been in politics—one of the gentlemen said "What was it Mr. Quigg said to you, that there was $5,000 in it for Lessler and $1,000 for you?" And I said, "No, sir; I didn't say that at that time." All the gentlemen around said "It is all right; you go on," and then there was a discussion in the room as to how I stood. I refused to answer at that time until the gentlemen seemed to all agree "There is nothing to it; you just go on and make your statement." Feeling agreeable, at home, I made my statement according to the way I read it in the paper, and Mr. Tayler put in my mouth—I think it was Mr. Tayler—something about the money proposition which I didn't state before that until I realized that I was in the hands of my friends and "It is all right; I will back up Lessler, and it will be a cinch for Lessler. There won't be anything about it. All there will be to it is the committee will report to the whole committee and Lessler will be vindicated and I will be vindicated and that will be all right."

After I got out of the committee room I went down to the hotel and asked for Lessler. Lessler wasn't there. I telephoned to the House and tried to get him on the telephone and I couldn't get him, and I left the city, thinking it was all right. I came home—there is a telegram at home that I will produce, in which the words used, as I remember them, is: "Statement all right. Have no fear. M." I will produce that telegram, but it is a matter of record in one of the telegraph offices here. Well, of course, I consequently go on about my business and think no more about it. I had done another fellow a turn, in my way of thinking. I went out and I got home pretty late that night, and I found this telegram:

"I am instructed by the Naval Committee to request your appearance for a hearing before it to-morrow morning at 10.30. George Edmund Foss, Chairman."

That is dated January 22. I replied to that, thinking the committee would adjourn, that I could come on Monday and make my statement just the same, it being a friendly thing. I didn't notice in the paper that the House had passed a resolution demanding my presence, or to send for any witnesses they desired. I went out, and the first intimation I had about this before I got the telegram was in the papers, and I thought that was a part of Lessler's statement. Well, when I come on here it was a question whether I was going to substantiate myself before a subcommittee or friends and Lessler, or whether I was there and then going to make Lessler to appear untrue. However, I decided with myself that "I will just make my same statement as to that which I spoke of before this subcommittee." I made it, and I now retract every word in which I said that Mr. Quigg tendered me any bribe in any way. After I got through being examined before this committee I went down to the station with Mr. Lessler and he sent this telegram:

"Phil examined. Substantiate story in every way. He is all right. Will stay here for a time."

Mr. ROBERTS. Who is that from?

Mr. DOBLIN. Signed "Montague Lessler," to my wife.

Mr. TAYLER. Read the whole telegram.

Mr. DOBLIN. "January 24, 1903, Washington, D. C.

"Mrs. PHILIP DOBLIN, *433 East Eighty-second street.*

"Phil examined. Substantiate story in every way. He is all right. Will stay here for a time."

Afterwards—I beg your pardon—I desire to introduce this telegram also. This is a telegram that I got here on Saturday morning to my wife:

"Mrs. PHILIP DOBLIN, *433 East Eighty-second street.*

"Phil arrived all right and will stay with me in Washington. You need have no fear about him at all. I shall try and see you if possible. He sends love to you and the children.

"MONTAGUE LESSLER."

I also want to say now that after I got out of the committee we had a talk, and he says, "You might as well stay here and stay over. It is all right, and you can occupy my room if you want to." "Oh," I says, "no; I will get a room of my own." I went up to the hotel and I put my name down at the Normandie Hotel. I told him I would be back; the Congressman expected to go away earlier, and he didn't go; and when I went looking for him I went down to the station and expected him to be there at 3 o'clock, and he wasn't there. So I telephoned to the House here and he says, "I may not be able to go. I may catch the quarter of 4." Well, of course, I didn't come back until, I guess, it was a quarter past 4 or something like that. I walked down to the depot and then walked up here leisurely, and afterwards I came here, and the committee was in executive session. I stayed in the hallway and waited until the committee got through, and he says, "Come on;" and, by the way, he told me to look out for his grip up at the hotel, which I did. When we went down to the depot I says, "What shall I do here over Sunday? I will go home to my folks, and I would rather be home than here." In reply to that I says, "We had better send a telegram." "Well, he says, "all right." This is the telegram:

"JANUARY 24, 1903, *Washington, D. C.*

"Mrs. P. DOBLIN, *433 East Eighty-second street.*

"Philip leaves for New York on five train. Will be home at 12 o'clock.

"LESSLER."

To go back to January 22 a minute, I got a personal telegram from Mr. Lessler, which I found at the same time that Mr. Foss's telegram was at the house, which is dated January 22, 1903, Washington, D. C.:

"PHILIP DOBLIN, *433 East Eighty-second street, New York.*

"Come on midnight without fail. MONTY."

Mr. TAYLER. On page 30 of the printed testimony in this case——

Mr. VANDIVER. Excuse me a minute, Mr. Tayler. I would like to suggest that it would be well to have the witness go on and state——

Mr. TAYLER. I want to ask a question right here. Then he can go on. I want to come to the point of this business, and then let him make his own statement.

Mr. VANDIVER. Very well.

Mr. TAYLER. You testified as follows, in answer to a question, after an interview that you said you had with Mr. Quigg at the Mutual Cafe:

"Mr. Quigg was anxious to try to get Mr. Lessler's friendly disposition toward the bill, and he said, after a talk on various things, that there was $5,000 in it."

Is that statement of yours true or false?

Mr. DOBLIN. It is false.

Mr. TAYLER. The question was later asked you on that page:

"For whom did he say there was $5,000?

"A. Why, that man we were talking about. He didn't use the name."

Is that true or false?

Mr. DOBLIN. That is false.

Mr. TAYLER. And you say generally that Mr. Quigg made no such proposition, directly or indirectly, involving the use of money to secure Mr. Lessler's support of this bill?

Mr. DOBLIN. He did not.

Mr. TAYLER. Now, on page 31, after having testified that you left Mr. Quigg and that you later met Mr. Lessler and that he was sitting at his desk opening his mail, you were asked this question:

"What did you tell him? Tell us just what you told him."

To which he replied:

"I told him there would be $5,000 in this, if you can see your way clear to be friendly disposed to it."

Is that true or false?

Mr. DOBLIN. False.

Mr. TAYLER. You did not say to Mr. Lessler anything about any money that would or might be paid to him if he would change his attitude on this bill?

Mr. DOBLIN. Well, I spoke to him about the question at that time, but I didn't say anything about money.

Mr. TAYLER. That is, you spoke to him about the Holland boat?

Mr. DOBLIN. The Holland torpedo-boat proposition at that time.

Mr. TAYLER. But you made no improper proposal of any kind to him?

Mr. DOBLIN. I did not.

Mr. TAYLER. You did not intimate that anybody, either through you or in any other way, would pay any money for his support of the bill or the proposition?

Mr. DOBLIN. I did have the conversation. I spoke to him about his future, and generally on the subject of submarine torpedo boats, and said nothing about money at any time to the Congressman.

Mr. TAYLER. So that——

Mr. ROBERTS. Let him finish.

Mr. DOBLIN. What I want to do there is to say this: The conversation I was talking about at the time was as to Lessler's future. I said, "Now here, Monty; Mr. Quigg has sent for me, has talked to me about this thing and this will be for your future." I don't know whether that was the exact terms that I used, but that is as near as I can get.

Mr. TAYLER. So the statement of Mr. Lessler that you mentioned $5,000, or any other sum in connection with this is absolutely false?

Mr. DOBLIN. Well, as to his impression, I don't know, but as to his statement, it is false.

Mr. TAYLER. I do not know that I said anything about his impression.

Mr. DOBLIN. You said his statement, did you not?

Mr. TAYLER. I said statement. I did not say impression.

Mr. DOBLIN. I beg your pardon.

Mr. TAYLER. Were you present when Mr. Lessler testified before the committee?

Mr. DOBLIN. No.

Mr. TAYLER. On page 2 of the printed evidence in this case——

Mr. RIXEY. Ask him if he has not read the testimony, Mr. Tayler.

Mr. TAYLER. That was merely preliminary. Mr. Lessler testifies that you came in one morning and you asked him if the Holland submarine boat proposition was before the House, or would come again before the House, and he said he supposed so. Thereupon Mr. Lessler says you said, "Are you still opposed to it," to which Mr. Lessler replied, "Yes." Then you said you had been sent for by Mr. Quigg, and that Quigg had said to you that there was $5,000 in it if he, Lessler, could be brought to the other side. Is that true?

Mr. DOBLIN. No, sir.

Mr. VANDIVER. Mr. Tayler, will you allow me to make a suggestion. I do not want to interrupt you at all. I think the witness ought to be rigidly cross-questioned, but I would like to know first whether he has completed his direct statement. He stopped at a point after he got home Sunday, I think.

Mr. TAYLER. I do not know that we care so much about that. We want to know just what it is he says is true and what is false.

Mr. VANDIVER. I have no objection to it, but I thought possibly it would be more orderly to have him proceed with the direct statement before the cross-examination.

Mr. KITCHIN. I suggest if you ask him who has seen him and everything like that. Find out who he has talked with since he arrived here Saturday.

The CHAIRMAN. Let Mr. Tayler proceed, gentlemen. He has a purpose in his mind.

Mr. TAYLER. Of course the witness will say all he wants to say, but we who are seeking facts may want to pursue certain lines.

The CHAIRMAN. Yes.

Mr. TAYLER. I want to say to the committee, since there have been some inquiries and suggestions made as to methods, that, so far as my desire goes, I have completed the examination of this witness, in so far as I care to go with a view of finding out what it is that is vital in this case that he affirms or

denies. I was going to proceed with another line of examination. If some gentleman wants to ask him further what is or is not true in this examination it had better be asked now.

Mr. RIXEY. You go through with your examination first.

Mr. TAYLER. You say that your first information as to the claim of Mr. Lessler that he had been approached corruptly and offered $5,000 to vote for this proposition came to you after you reached Washington last week?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. Had you ever had any intimation from anybody prior to that time that any corrupt proposition had been made as claimed by Mr. Lessler?

Mr. DOBLIN. No, sir.

Mr. TAYLER. Or that Mr. Lessler had claimed he had been made any such proposition?

Mr. DOBLIN. No, sir.

Mr. TAYLER. Did you ever say anything to Mr. Obermeier in that connection?

Mr. DOBLIN. I might have referred to the appropriation.

Mr. TAYLER. Did you ever say anything to him about any money?

Mr. DOBLIN. No, sir.

Mr. TAYLER. Being offered to you or to anybody else for support of the Holland submarine boat proposition?

Mr. DOBLIN. No, sir.

Mr. TAYLER. Did Mr. Lessler say anything to you as to what you should say before the subcommittee, except what appeared in the newspaper?

Mr. DOBLIN. He simply handed me the newspaper and said, "I blurted that out—oh, do what you want about it."

Mr. TAYLER. What newspaper?

Mr. DOBLIN. I think it was the Washington Post, or something like that.

Mr. TAYLER. Was it a Washington paper?

Mr. DOBLIN. A Washington paper; yes.

Mr. TAYLER. Did Mr. Lessler name any figures to you as to the amount he had said he had been offered?

Mr. DOBLIN. It was stated in the paper.

Mr. TAYLER. Did Mr. Lessler say anything to you about the amount?

Mr. DOBLIN. I don't remember him saying anything about the amount.

Mr. TAYLER. How long did Mr. Lessler talk with you?

Mr. DOBLIN. I guess first his secretary was there awhile, and he went out and we had the room alone a few minutes. He was getting on his clothes, and while he was getting on his clothes he was talking. He took off his night clothes and put on his trousers and went over to the washstand and washed himself and then went downstairs.

Mr. TAYLER. Was his clerk, Son, there at that time?

Mr. DOBLIN. I think he was; yes, sir.

Mr. TAYLER. Then, what did Mr. Lessler say to you?

Mr. DOBLIN. At what time?

Mr. TAYLER. All that he said to you after you met him that morning before you came here.

Mr. DOBLIN. "I have got you into trouble." I said, "How is that?" "Well," he says, "there is a subcommittee meeting this morning; I want you to talk to them"—something to that effect. I am not sure what the exact language was, but, as I said, he was dressing himself, and then he went out of the door and went downstairs and came back with the paper, and while I was reading the paper Son came in.

Mr. TAYLER. As to what Lessler claimed to you, what do you learn other than what you saw in the paper? Did Lessler tell you anything about what you should testify to?

Mr. DOBLIN. Why, he said, "Read that over; it will be all right." And I read it over.

Mr. TAYLER. What else did he say to you?

Mr. NICOLL. Will you not ask him what was in the paper? I do not know what was in it.

Mr. TAYLER. I will have the paper. What else did he say to you?

Mr. DOBLIN. He said that the Holland submarine boat business is up.

Mr. TAYLER. What else did he say?

Mr. DOBLIN. Well, he didn't say much after that. After he came back with the paper, Son came in, and they had some papers they were arranging, and I was sitting looking out of a window or at a desk or table; I don't know which.

Mr. TAYLER. Then, all you knew about the details of what Lessler claimed you read in the newspapers, did you not?

Mr. DOBLIN. At that time.

Mr. TAYLER. When else did you learn anything?

Mr. DOBLIN. Why, when we went down to breakfast I said, "What did you say, Monty," and he said, "Can't you read that?" I looked it over, and he said, "I was talking about the $5,000 business."

Mr. TAYLER. Who was?

Mr. DOBLIN. He was. He says, "I blurted it out." I won't be positive whether he said that at the table or whether he said that in the room. He said, "I blurted it out, and you have got to help me out here."—something to that effect. I can't remember the exact language.

Mr. TAYLER. Is that all that occurred?

Mr. DOBLIN. Well, he said, "I mentioned your name," and he said, "You have simply got to go up and make your statement." I really stated before what happened regarding the way in which I came up here.

Mr. TAYLER. What time did you get to the hotel?

Mr. DOBLIN. I guess a little after 8 o'clock. It might have been 8 o'clock.

Mr. TAYLER. You came up before the subcommittee?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. And you were asked by the subcommittee to tell us all that you knew about those charges that had been made by Lessler?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. Was there any reference made to the newspaper account in the matter?

Mr. DOBLIN. At what time?

Mr. TAYLER. When you were before the subcommittee.

Mr. DOBLIN. I don't remember hearing it.

Mr. TAYLER. Do you mean to say you got your information from the subcommittee as to what Mr. Lessler had claimed?

Mr. DOBLIN. No, sir.

Mr. TAYLER. Do you mean to say that the subcommittee told you what to tell them?

Mr. DOBLIN. No, sir.

Mr. TAYLER. Do you mean to say that I put words into your mouth, and that because I put them into your mouth you then proceeded to accord with what I had said?

Mr. DOBLIN. No, sir.

Mr. TAYLER. And apart from the description that you gave of this interview the other day, you told your story freely, did you not—voluntarily?

Mr. DOBLIN. Yes, sir; after a talk with a gentleman of the committee.

Mr. TAYLER. And without any suggestions from us as to what you should say?

Mr. DOBLIN. Without any suggestion?

Mr. TAYLER. Yes.

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. There was no suggestion on the part of any member of that subcommittee as to what you should say?

Mr. DOBLIN. No, sir.

Mr. TAYLER. You told to us in the subcommittee practically the same thing that you told the full committee last Saturday?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. There was no variation in any material respect, was there?

Mr. DOBLIN. I didn't hear it.

Mr. TAYLER. Between the two stories?

Mr. DOBLIN. I don't remember.

Mr. TAYLER. I do not mean as to what you read, but your recollection of what you told me on last Saturday?

Mr. DOBLIN. I don't remember there was any difference.

Mr. TAYLER. Now, you appeared before the committee last Saturday and testified and went home, did you?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. With whom did you talk after you left?

Mr. DOBLIN. With whom?

Mr. TAYLER. Yes.

Mr. DOBLIN. I didn't talk with anybody except Lessler, riding home.

Mr. TAYLER. After you got home, with whom did you talk?

Mr. DOBLIN. I talked with my wife and children. My father came in; my brother came in; my other brother came in. We had a general discussion. My father wanted to know what it was all about. He don't talk very much, but he just evidently had the paper with my picture in it, and I said, "I don't want to talk about this thing now. I think it is all right;" and about 11 o'clock I dressed myself and took a walk, my brother and I, and my brother suggested I had better go and consult somebody about this situation, and I went and consulted Mr. Rogers.

Mr. TAYLER. Mr. Rogers?

Mr. DOBLIN. Who lives at 162 East Seventy-eighth street, right close to me.

Mr. TAYLER. And Mr. Rogers told you you had made yourself subject to criminal prosecution, did he not?

Mr. DOBLIN. After consultation; yes, sir.

Mr. TAYLER. How long were you in consultation with him?

Mr. DOBLIN. We stayed there about three-quarters of an hour.

Mr. TAYLER. And upon his advice you came here to tell us this story this morning?

Mr. DOBLIN. I made a statement to him which he wrote out and I signed.

Mr. TAYLER. I think I do not want to ask any more questions.

Mr. KITCHIN. I should think he ought to identify that piece he read in the paper. He said he thought it was a Washington paper, and if you have got the piece, suppose you show it to him and ask him if that is the article he read.

Mr. ROBERTS. And I ask that it be identified.

Mr. TAYLER. I will just read this and the stenographer will take it down, or he can copy it. I do not want to mutilate the clerk's files.

Mr. KITCHIN. Had you not better let him look at it and see whether that is the article he read?

Mr. TAYLER. Please look at the article in Wednesday's Post and tell me if that is the article you read before you testified before the subcommittee?

Mr. DOBLIN (after reading the article). I wouldn't be positive that that is the paper, but that was the substance of the article I read.

Mr. TAYLER. What is the day you reached here; Wednesday of last week?

Mr. DOBLIN. Wednesday morning.

Mr. TAYLER. And it was in Wednesday morning's paper that you saw the article referred to?

Mr. DOBLIN. Some one of the Wednesday morning Washington papers.

Mr. TAYLER. I believe I have identified last Wednesday's Post and the article headed, "Tells of bribe offer," which appears to be the only article in that paper respecting this subject. If so, that is the only article you read that morning?

Mr. RIXEY. It is the only morning paper, too, Mr. Tayler.

Mr. DOBLIN. All right, sir.

Mr. RIXEY. Mr. Tayler, I would like to ask a question if you are through.

Mr. TAYLER. Yes.

Mr. RIXEY. Mr. Doblin, I understand you now to state explicitly that in no conversation with Mr. Lessler did you mention the subject of money.

Mr. DOBLIN. I won't say as to that.

Mr. RIXEY. I want to know as to that.

Mr. DOBLIN. Well, sir, the subjects that I talked with Mr. Lessler from time to time—and I want to say right here I did have other conversations with Mr. Lessler, and about this matter, but I made it just as brief as I could before, in order to try to substantiate the inference that I got from the reading of that paper that morning.

Mr. RIXEY. Now, I want you to answer my question.

Mr. DOBLIN. Yes, sir; if you please.

Mr. RIXEY. Whether in any conversation with Mr. Lessler on the subject of the submarine torpedo boats, you mentioned the subject of money?

Mr. DOBLIN. Yes, sir.

Mr. RIXEY. Now state when it was and what it was.

Mr. DOBLIN. I said one time to Mr. Lessler, "There seems to be a large appropriation here wanted"——

Mr. NICOLL. Will you not ask when this was? "One time," he says.

Mr. RIXEY. Let him go ahead. We can interrogate him as to particulars later.

Mr. DOBLIN. And he said "Yes, those boats cost $70,000 or $170,000 apiece, and this appropriation will call for, if the ten-bill proposition comes through, $1,700,000."

Mr. RIXEY. Was that the only way in which money was mentioned?

Mr. DOBLIN. That is the only way, sir.

Mr. RIXEY. Did you in any of the conversations with Mr. Lessler indicate that there would be money in it if his influence could be secured?

Mr. DOBLIN. No, sir.

Mr. RIXEY. In no conversation with him?

Mr. DOBLIN. No, sir.

Mr. RIXEY. Why is it you remember now the amount of money that he referred to as being in it, and why was that stated?

Mr. DOBLIN. Because the evening that I was at the Waldorf, Mr. Frost was asked—I asked Mr. Frost, I think it was, "How much are these boats worth," and he said "They are bought for $170,000;" that is they are sold for $170,000.

Mr. RIXEY. Why did that conversation make an impression on your mind as to the exact amount that the boats woudl cost, as put to the Government?

Mr. DOBLIN. Nothing particularly, except that the discussion come up from time to time afterwards when I met Mr. Lessler at the office.

Mr. RIXEY. Why should the discussion come up from time to time if it is as stated by you?

Mr. DOBLIN. Because some time last summer when the last session was in meeting here, Lessler had told me that McCullagh had come to him, to Washington, and had asked him for his support for this bill, and that he was appealing for some friend of his, and then he also said—I don't know whether it was last summer during the meeting of Congress or after that, or during recess—that somebody else come to him about it. At one time Mr. Rice's name was mentioned, and in connection with that Mr. Quigg's name was brought up. Mr. Lessler told me that Mr. Rice and Mr. Quigg were not on friendly terms, for some reason or other; and of course talking about the conversations I think at that time again the amount of the appropriation came up.

Mr. RIXEY. Mr. Doblin, is not this the truth of this matter, that you had been informed that these boats would cost a large amount of money, and that there was considerable profit in it to the company, and that you thought it was a proposition where you could make some money?

Mr. DOBLIN. No, sir; I was working on and off during that time.

Mr. RIXEY. You may have been working on and off, but did you not have some idea that you could make some money if you could negotiate this matter?

Mr. DOBLIN. No, sir.

Mr. RIXEY. You did not expect any pecuniary benefit?

Mr. DOBLIN. No, sir.

Mr. RIXEY. You did not have any idea you could make any?

Mr. DOBLIN. No, sir; the only thing I had in mind was Lessler's future.

Mr. ROBERTS. I would like to ask a question or two, Mr. Chairman. In any of the conversations you have ever had with Mr. Quigg did he at any time offer or make any suggestions to you that you personally could get a thousand dollars or any sum of money for your good offices?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. Then your prior statement in that respect is false?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. Now, a little further. In any of your conversations with Mr. Quigg, did he say to you that the Roberts bill was pending in Congress, calling for ten submarine boats, and that was the measure he wanted you to secure Lessler's report for?

Mr. DOBLIN. I think that was the name.

Mr. ROBERTS. Are you certain he used that name?

Mr. DOBLIN. I think so.

Mr. ROBERTS. That Mr. Quigg——

Mr. DOBLIN. Had used the name of the Roberts bill.

Mr. ROBERTS. You are sure on that point?

Mr. DOBLIN. Yes, sir; I am sure.

Mr. ROBERTS. There is no question in your mind on that?

Mr. DOBLIN. There is no question because——

Mr. ROBERTS. Whatever you said before, this is the absolute truth?

Mr. DOBLIN. This is absolutely so.

Mr. ROBERTS. You stated a few moments ago, if I understood you, in answer to Mr. Rixey's question, that you had had other talks with Mr. Lessler about this bribe matter, in order that you might better substantiate your story?

Mr. DOBLIN. When?

Mr. ROBERTS. I am asking you if I understand you correctly to say that?

Mr. DOBLIN. I didn't get that question.

The question was repeated by the stenographer.

Mr. DOBLIN. Not about the bribe matter, at that time.

Mr. ROBERTS. Let us get down to this: Have you had any other talks with Mr. Lessler or with anybody representing him, as to what sort of a story you should tell before this committee?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. You have testified here to all the conversations you have ever had with Mr. Lesseler on that point?

Mr. DOBLIN. Pretty much so.

Mr. ROBERTS. Now, what is "pretty much so"—what is excepted?

Mr. DOBLIN. There may have been a time that I have left out, when the subject came up, that I spoke to him.

Mr. ROBERTS. What subject?

Mr. DOBLIN. The subject of submarine boats.

Mr. ROBERTS. No; you are off the point. I mean at this time when you say you had a talk with Mr. Lessler and it was fixed up between you what your statement should be.

Mr. DOBLIN. I was handed a paper.

Mr. ROBERTS. Now, keep that right in mind. You and Mr. Lessler had a conference in which it was fixed up what you would testify to?

Mr. DOBLIN. We didn't have any particular conference. I came there that morning.

Mr. ROBERTS. You were together then?

Mr. DOBLIN. Yes, sir.

Mr. ROBERTS. And it was then fixed up what you should testify to?

Mr. DOBLIN. I don't know that it was fixed up.

Mr. ROBERTS. Was there any other time you had any talk with Mr. Lessler as to what you should say—how far you should substantiate the story he had told?

Mr. DOBLIN. I don't recall any.

Mr. ROBERTS. That is the only time and you have given us all the conversations? No other details of the story you were to tell were gone into between you and Mr. Lessler or anybody representing him?

Mr. DOBLIN. No, sir.

Mr. ROBERTS. At that or any other time?

Mr. DOBLIN. Not that I can recall.

Mr. WHEELER. Mr. Chairman, I would like to ask a few questions if the gentleman is through.

The CHAIRMAN. Mr. Wheeler.

Mr. WHEELER. Mr. Doblin, you wish the committee to understand now that your purpose in making this statement to the subcommittee and to the committee was to serve the political ends of Mr. Lessler. Is that right?

Mr. DOBLIN. Yes, sir.

Mr. WHEELER. Do you wish the committee to understand that you came before them deliberately and swore to a lie for the purpose of serving Lessler's political ends? Is that right?

Mr. DOBLIN. I can't answer that.

Mr. WHEELER. I think you can answer that.

Mr. DOBLIN. Will you kindly read that question?

(The question was read by the stenographer.)

Mr. DOBLIN. Yes, sir.

Mr. WHEELER. When did you make up your mind to perjure yourself in order to aid Lessler?

Mr. DOBLIN. I didn't make up my mind about it at all. I simply come in and make my statement, as requested by Mr. Lessler—it would be all right; there wouldn't be anything to it. They will report to the full committee and that is all there will be to it.

Mr. WHEELER. Mr. Lessler, have you ever sworn to a falsehood before?

Mr. DOBLIN. I beg your pardon.

Mr. WHEELER. Have you ever perjured yourself before?

Mr. ROGERS. One moment, Mr. Wheeler. I think I have been accorded the privilege here of acting as counsel for Mr. Doblin, and I respectfully suggest to the Chair and to the committee that the question is not a proper one. That question, even in a court of law, would not be admissible, and I understand this committee desires to confine itself strictly to the rules of evidence. The question whether Mr. Doblin ever swore falsely before this occasion is not material to the issue. I have no objection to the question being asked of Mr. Doblin, and I think it would be permissible that he should be asked if he was ever convicted of perjury, but I hardly think it is fair to ask a witness before this committee whether he ever swore falsely or perjured himself before. I think Mr. Wheeler will withdraw the question.

Mr. WHEELER. His infamy is already established, and it is simply a question of the degree of it now. It is more for my own satisfaction than anything else that I ask the question.

Mr. ROGERS. I ask the protection of the committee for the witness. I do not think it is a competent question.

Mr. WHEELER. I see nothing improper in the question.

Mr. ROGERS. I appeal to the committee and ask for a ruling on the objection.

Mr. WHEELER. What difference does it make? He has already admitted his perjury.

A MEMBER. It might be a question as to whether he is a professional perjurer.

Mr. WHEELER. Yes; I want to find out that fact.

Mr. RIXEY. I do not think you have the right to ask the witness specific questions in regard to his reputation.

Mr. WHEELER. I am not asking to withdraw it.

Mr. TATE. Let him go on, Mr. Chairman. He can answer it or refuse to answer it.

Mr. WHEELER. You can answer it or refuse, as you see proper. Have you ever sworn falsely before?

Mr. ROGERS. One moment. I object, Mr. Chairman.

Mr. DOBLIN. If you will permit me, Mr. Rogers——

Mr. ROGERS. No; I will not permit you. I am your counsel.

Mr. WHEELER. I suppose I have some rights in the matter. The witness may decline to answer if he wishes to do so.

Mr. ROGERS. I understand the Chair to rule that it is not a proper question.

The CHAIRMAN. The Chair only stated the opinion of the committee on a vote.

Mr. WHEELER. He is at liberty to answer it if he wants to or not.

Mr. DOBLIN. If I understand that question, it was asked of Mr. Lessler.

Mr. ROGERS. One moment.

The CHAIRMAN. I will take the sense of the committee.

Mr. BUTLER. I move that Mr. Wheeler be allowed to ask the question.

Mr. TATE. I second the motion.

Mr. RIXEY. I do not think it is a proper question. This witness is in a position here where he may be called upon to answer for everything that is said here by him.

Mr. BUTLER. We have not observed all the legal technicalities heretofore.

Mr. RIXEY. But he has counsel present, and his counsel raises the question for him.

Mr. WHEELER. He has attempted to impugn the reputation of a man, and we have a right to know the depth of his infamy.

Mr. TATE. Unless the witness himself objects to answering the question, if he is willing to answer it, he should be allowed to do so.

Mr. ROGERS. My objection is his objection.

Mr. WHEELER. Counsel's objection does not have weight with this committee unless the committee says so.

Mr. ROBERTS. Mr. Rogers has been allowed to appear as counsel for the witness.

Mr. MUDD. The witness can be given to understand that he can answer the question yes or no, as he wishes.

Mr. WHEELER. I have already told him that.

Mr. ROBERTS. Do I understand the committee has ruled?

The CHAIRMAN. The witness is at liberty to answer if he chooses to do so.

Mr. ROGERS. May I not have a ruling by the committee?

Mr. RIXEY. You can not keep him from answering it unless he does not wish to do so. You can warn the witness not to answer, but if he persists, he has the right to answer.

Mr. ROGERS. I understood, when I was permitted to appear as his counsel, that anything I did was his act.

Mr. RIXEY. You are mistaken about that.

Mr. MUDD. Does the witness object to answering?

Mr. DOBLIN. I think that question was asked of Mr. Lessler.

Mr. WHEELER. No; it was asked of you.

Mr. DOBLIN. No; I beg your pardon. It was asked of Mr. Lessler.

Mr. BUTLER. Yes; you made a mistake, Mr. Wheeler, in addressing the witness. You addressed him as "Mr. Lessler."

The question was read by the stenographer as follows:

"Mr. Lessler, have you ever sworn to a falsehood before?

"Mr. DOBLIN. I beg your pardon.

"Mr. WHEELER. Have you ever perjured yourself before?"

Mr. WHEELER. Change that to "Doblin."

Mr. ROGERS. Now, Mr. Chairman and gentlemen of the committee, I make the same objection. I instruct the witness that the question is improper and not to answer it, and I appeal to the committee.

Mr. DOBLIN. I have certainly got to state, under the advice of my counsel, that I can not answer.

Mr. WHEELER. We will recur now, since you have declined to answer this question—when did you change your determination to aid Mr. Lessler by false testimony?

Mr. DOBLIN. Why, after I had a talk with my counsel. I saw the position I was put in.

Mr. WHEELER. Did you not know you were swearing falsely all along?

Mr. DOBLIN. Yes, sir.

Mr. WHEELER. Did you not know it was legally punishable to swear to a lie?

Mr. DOBLIN. I did not look up the law.

Mr. WHEELER. I know you did not, but do you not know that as a matter of common reputation, that a liar is put in the penitentiary?

Mr. DOBLIN. I do not know anything about that.

Mr. WHEELER. Have you not been about the courts of New York a good deal?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. Have you never heard of men being punished for swearing falsely?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Do they not punish men in New York for swearing falsely?
Mr. DOBLIN. I don't know about that.
Mr. WHEELER. Did you not know it was immoral and wrong to swear to a lie?
Mr. DOBLIN. I may have.
Mr. WHEELER. You did not regard it as morally reprehensible to give false testimony before a committee of Congress?
Mr. DOBLIN. At that time I never gave it a thought.
Mr. WHEELER. Did you believe it was all right for you to come in here and swear that this man Quigg, a citizen of New York, had offered you a bribe?
Mr. DOBLIN. No, sir.
Mr. WHEELER. When he had not done it?
Mr. DOBLIN. No, sir.
Mr. WHEELER. You did not think that was wrong?
Mr. DOBLIN. No, sir; because I was led to believe by what Mr. Lessler had intimated in the paper and the talk at the hotel that there was nothing to it. I was simply trying to substantiate his story.
Mr. WHEELER. But did you not know it was wrong when you did that?
Mr. DOBLIN. I didn't give it a thought. I simply done as I was told.
Mr. WHEELER. Do you mean this committee to understand that you thought it was a matter of so small consequence that you swore to a lie without even thinking about it?
Mr. DOBLIN. I can't answer that very well, because, as I say, I didn't think about it at that time.
Mr. WHEELER. When did you think about it?
Mr. DOBLIN. When my counsel told me what I had done.
Mr. WHEELER. How did you come to go to counsel if you never thought of it, one way or the other, that it was wrong?
Mr. DOBLIN. I had a talk with my brother. He said: "It looks very funny there. What are you doing?" and being a friend of mine——
Mr. WHEELER. Did you tell your brother you had sworn falsely?
Mr. DOBLIN. I didn't say anything to him at all.
Mr. WHEELER. Did you not tell anyone at all that you had sworn falsely until you had consulted this lawyer?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Is he the first person you told you had sworn falsely?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. Then what did he do?
Mr. DOBLIN. He simply took my statement.
Mr. WHEELER. Did he not advise you how to proceed in the premises?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. Did he not tell you it would subject you to a criminal prosecution to come here and say that you had sworn to a lie?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Did he tell you it would if you did not say so?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. He told you if you did come and tell that you had sworn falsely, it would not subject you to a criminal prosecution?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. But he did not tell you that if you did come and admitted, that that would render your conviction a question beyond doubt? Did he not tell you that?
Mr. DOBLIN. Why, we discussed the question, and he said: "The best thing you can do in the premises"—after I explained to him the situation—"is to refute it, because you can't stand for such a statement as that."
Mr. WHEELER. What does Mr. Rogers do in New York?
Mr. DOBLIN. Attorney and counselor at law.
Mr. WHEELER. Has he ever represented you before in any transaction?
Mr. DOBLIN. I was associated with him.
Mr. WHEELER. How were you associated with him?
Mr. DOBLIN. He was the counsel for the Quick Collection Mercantile Agency, of which I was manager, at 61 Park Row.
Mr. WHEELER. The Quick Collection Agency?
Mr. DOBLIN. The Quick Collection Agency.
Mr. WHEELER. What are his professional connections in New York now? Who does he represent over there now?

Mr. DOBLIN. I don't know.
Mr. WHEELER. When had you seen him before you went to see him on Sunday last?
Mr. DOBLIN. Oh, four or five weeks ago.
Mr. WHEELER. And this statement that he wrote out—did you swear to it?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. Before whom?
Mr. DOBLIN. Before a notary public.
Mr. WHEELER. When did you swear to it?
Mr. DOBLIN. Last evening.
Mr. WHEELER. Where did you swear to it?
Mr. DOBLIN. At Mr. Rogers's house.
Mr. WHEELER. Who was the notary public?
Mr. DOBLIN. I don't know the gentleman—somebody associated with Mr. Rogers.
Mr. WHEELER. Who was present at the time, besides the notary public, Rogers, and yourself?
Mr. DOBLIN. Nobody.
Mr. WHEELER. Who was in Rogers's office when you went there?
Mr. DOBLIN. We were not in the office.
Mr. WHEELER. Where were you?
Mr. DOBLIN. At his house.
Mr. WHEELER. Who went there with you?
Mr. DOBLIN. My brother.
Mr. WHEELER. Who else?
Mr. DOBLIN. Nobody.
Mr. WHEELER. Did Rogers send for you?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Did you have an appointment with him before you went to his house?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Did you telephone around to his house before you went?
Mr. DOBLIN. No, sir.
Mr. WHEELER. How did you know he was home?
Mr. DOBLIN. I didn't know it. I asked at the door whether he was in, when the girl or the lady, or whoever it was, came to the door.
Mr. WHEELER. What is the name of that notary public?
Mr. DOBLIN. I don't even know the name. It is on that document.
Mr. ROGERS. Do you wish the name?
Mr. WHEELER. Was there a notary public at Rogers's house when you went there?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Who went after him?
Mr. DOBLIN. I don't know.
Mr. WHEELER. How did he happen to come in?
Mr. DOBLIN. I think Mr. Rogers had some business with him.
Mr. WHEELER. He just happened in there?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Was he there when you got there?
Mr. DOBLIN. When I got in in the evening, Mr. Rogers was telling him something about some procedure in court to-morrow, to explain to Judge McGuire——
Mr. WHEELER. I understood you to state a moment ago he was not there when you reached Rogers's house.
Mr. DOBLIN. Who was not there?
Mr. WHEELER. I understood you to say so.
Mr. DOBLIN. I said the first time he was not there.
Mr. WHEELER. You were at Rogers's house twice then?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. When did you go the first time?
Mr. DOBLIN. Between 11 and 12 o'clock.
Mr. WHEELER. And the second time?
Mr. DOBLIN. I think I went there about half-past 2.
Mr. WHEELER. And the statement was written out when?
Mr. DOBLIN. I don't think the statement was through until 7 or 8 o'clock—something like that.
Mr. WHEELER. And the notary public remained all this time, did he?
Mr. DOBLIN. No; I was downstairs when the notary public came in.
Mr. WHEELER. Where was Rogers?
Mr. DOBLIN. He was downstairs, attending to some business with clients. Mrs. Rogers was there.

Mr. WHEELER. When you went up the notary public was there?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. And Rogers was talking with him on business?
Mr. DOBLIN. I don't know anything about what he was talking to him about.
Mr. WHEELER. You just said he was telling him something about some judge.
Mr. DOBLIN. Oh, when I came in; yes.
Mr. WHEELER. Came in where?
Mr. DOBLIN. To the room.
Mr. WHEELER. From where?
Mr. DOBLIN. From the basement.
Mr. WHEELER. And you say you were associated with this Quick Collection Agency over there in New York?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. Did you have some suits?
Mr. DOBLIN. No, sir.
Mr. WHEELER. You never had any suits?
Mr. DOBLIN. No, sir; we just collected bills. I don't know but what there was suits we had, emanated out of our business.
Mr. WHEELER. Did you ever take any part in those suits?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Did you get any witnesses for them?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Were you ever a witness in court?
Mr. DOBLIN. No, sir.
Mr. WHEELER. Were you ever sworn before you came before this committee?
Mr. DOBLIN. I may have been.
Mr. WHEELER. Were you?
Mr. DOBLIN. I don't remember.
Mr. WHEELER. Did you ever take an oath before?
Mr. DOBLIN. I think I have, as election district polling clerk.
Mr. WHEELER. What are your religious proclivities?
Mr. DOBLIN. I beg your pardon.
Mr. WHEELER. What are your religious inclinations?
Mr. DOBLIN. Hebrew.
Mr. WHEELER. Do you believe in the existence of God?
Mr. DOBLIN. I do, sir.
Mr. WHEELER. And you state to the committee that you did not know it was morally wrong to swear falsely before this committee?
Mr. DOBLIN. I didn't think about it at the time.
Mr. WHEELER. Did you subsequently think about it?
Mr. DOBLIN. Yes, sir; after I had a talk with Mr. Rogers.
Mr. WHEELER. After you had a talk with Mr. Rogers?
Mr. DOBLIN. I was talking with him, of course.
Mr. WHEELER. Did you come to the conclusion it was wrong?
Mr. DOBLIN. Yes, sir.
Mr. WHEELER. When did you come to that conclusion?
Mr. DOBLIN. About a quarter of 12, it may have been. It may have been 12 o'clock Sunday.
Mr. WHEELER. Before or after you had seen Rogers?
Mr. DOBLIN. While I was talking with him.
Mr. WHEELER. What did you go to see him for, if your conscience was not pricking you on the subject?
Mr. DOBLIN. What to do in the situation.
Mr. WHEELER. What were you concerned about it for if it never occurred to you before that nothing was wrong about it?
Mr. DOBLIN. I was simply trying to right the wrong I had done.
Mr. WHEELER. You concluded it was wrong before you saw Rogers, did you?
Mr. DOBLIN. Practically.
Mr. WHEELER. Had you ever heard it was legally wrong?
Mr. DOBLIN. No, sir.
Mr. WHEELER. My suggestion here is the first time it ever occurred to you that it was legally wrong?
Mr. DOBLIN. Excepting by Mr. Rogers.
Mr. WHEELER. Then it was the advice of a lawyer that convinced you of your moral turpitude, was it?
Mr. DOBLIN. No; not exactly.
Mr. WHEELER. When you said Rogers read this statement over and you told him you could not stand for that—you said you could not stand for it?

Mr. LOUDENSLAGER. Do you mean Mr. Rogers now?

Mr. WHEELER. When he told you you could not stand for that, what did he mean by that?

Mr. DOBLIN. I don't remember saying that.

Mr. ROGERS. He did not say that. He said Mr. Lessler said that.

Mr. WHEELER. I understand. Did Rogers tell you you must not stand for that—that you could not stand for that?

Mr. DOBLIN. No, sir.

Mr. VANDIVER. You say you went home from here Saturday night?

Mr. DOBLIN. Yes, sir.

Mr. VANDIVER. What time did you reach home?

Mr. DOBLIN. You mean at my house, or in New York City?

Mr. VANDIVER. In New York City.

Mr. DOBLIN. I think it was about 11 o'clock—between 11 and 12.

Mr. VANDIVER. Did you go straight home?

Mr. DOBLIN. I did; yes, sir.

Mr. VANDIVER. Did you talk with any members of your family about this?

Mr. DOBLIN. No, sir. My folks were asleep when I got in, and I went right to bed, excepting that my wife said: "This is annoying;" but I said, "It will be all right." I said, "Just be peaceful and we will get out of it all right."

Mr. VANDIVER. Yesterday morning you got up in the usual way and had breakfast at the usual time, did you?

Mr. DOBLIN. Yes, sir; well, Sunday morning time.

Mr. VANDIVER. Did you talk with anybody else before you went to see Mr. Rogers?

Mr. DOBLIN. No, sir, outside of my brother on the way over.

Mr. VANDIVER. You talked with your brother?

Mr. DOBLIN. Yes, sir.

Mr. VANDIVER. Did he advise you to go to see the lawyer?

Mr. DOBLIN. He said I ought to go see somebody about it. He said it looked very funny. "Well," I says, "it will come out all right."

Mr. VANDIVER. Did you or not talk with any other person who advised you to this course.

Mr. DOBLIN. No, sir.

Mr. VANDIVER. Or to any other person who had anything to say to you about the advisability of this course?

Mr. DOBLIN. No, sir.

Mr. VANDIVER. You did not talk with any other person on the subject at all?

Mr. DOBLIN. No.

Mr. KITCHIN. Mr. Doblin, when you went to see Mr. Rogers on Sunday did you first tell him what you had stated before this committee and then tell him that that was not true?

Mr. DOBLIN. Yes, sir.

Mr. KITCHIN. Then he told you that if that was not true you ought not to let it stand?

Mr. DOBLIN. Yes, sir.

Mr. KITCHIN. That it was after telling him that your story here was not true that you decided you wanted to come back down here and correct it?

Mr. DOBLIN. Yes, sir.

Mr. VANDIVER. When did you get back down here?

Mr. DOBLIN. Here?

Mr. VANDIVER. Yes.

Mr. DOBLIN. This morning.

Mr. VANDIVER. What time this morning?

Mr. DOBLIN. We got in here I think at 7.30.

Mr. VANDIVER. Did you talk with anyone else about the matter before you came up to the committee room?

Mr. DOBLIN. No, sir.

Mr. VANDIVER. Where did you stop here; at what hotel?

Mr. DOBLIN. I didn't stop at any hotel. I went up to the Arlington and had something to eat with Mr. Rogers.

Mr. VANDIVER. Then you came from there up here to the committee room?

Mr. DOBLIN. Yes, sir.

Mr. VANDIVER. Did you talk with anybody on the subject except counsel before you made your statement here in the committee?

Mr. DOBLIN. Yes, sir.

Mr. VANDIVER. Who?

Mr. DOBLIN. The porter.

Mr. VANDIVER. What porter?

Mr. DOBLIN. In the hotel. I asked him to lock the door of room 76.

Mr. VANDIVER. Why did you want him to lock the door?

Mr. DOBLIN. Because we were going downstairs. I was going to get shaved, and I don't know what Mr. Rogers was going to do.

Mr. VANDIVER. What did you talk to the porter about this matter for?

Mr. DOBLIN. To tell him to go up and close the door. I didn't have the key. I was standing down in the hall when I told him.

Mr. VANDIVER. Was that talking about this matter?

Mr. DOBLIN. I didn't understand your question, whether I was talking about any matter. I understood your question, whether I had spoke to anybody.

Mr. VANDIVER. About this matter.

Mr. DOBLIN. I didn't so understand it.

Mr. RIXEY. Did you talk with Mr. Lessler after you reached the city this morning?

Mr. DOBLIN. No, sir.

Mr. RIXEY. If you were going to make this statement here absolutely refuting your former testimony, as you were a friend of Mr. Lessler's, do you not think it was fair to him to go to him and tell him you were going now to tell the truth about this statement?

Mr. DOBLIN. I don't know anything about that.

Mr. RIXEY. You did not go to his hotel and you did not seek Mr. Lessler?

Mr. DOBLIN. No, sir.

Mr. WHEELER. Have you seen him since you arrived here last Saturday?

Mr. DOBLIN. Congressman Lessler?

Mr. WHEELER. Yes.

Mr. DOBLIN. No, sir.

Mr. BUTLER. Mr. Doblin, you have stated in the conversation you had with some member of your family who doubted the propriety of your conduct, that it would come out all right. What did you refer to as coming out all right?

Mr. DOBLIN. We were discussing the newspaper.

Mr. BUTLER. You thought the newspaper would come out all right?

Mr. DOBLIN. No, sir.

Mr. BUTLER. What did you mean when you said it would come out all right?

Mr. DOBLIN. I didn't mean anything in particular.

Mr. BUTLER. Then why did you use the expression "it will come out all right?"

Mr. DOBLIN. Nothing particular.

Mr. BUTLER. You meant something, in reply to some member of your family when you said it would come out all right, did you not?

Mr. DOBLIN. I presume so.

Mr. BUTLER. Then having presumed that you did, what did you understand?

Mr. DOBLIN. Why, the general proposition, that is all.

Mr. BUTLER. That the general proposition would come out all right?

Mr. DOBLIN. Yes, sir.

Mr. BUTLER. When you referred to the general proposition, what did you mean?

Mr. DOBLIN. I was talking about the general matter of the testimony here at Washington.

Mr. BUTLER. What part of the proposition would come out all right?

Mr. DOBLIN. The general proposition.

Mr. BUTLER. That the general proposition would come out all right?

Mr. DOBLIN. Yes.

Mr. BUTLER. What, in your judgment, would be a proper conclusion of the general proposition?

Mr. DOBLIN. To come here and admit the truth.

Mr. BUTLER. Then before you went to see this lawyer you had concluded to retract what you had said. Is that so?

Mr. DOBLIN. It was so.

Mr. BUTLER. Did you not say to Mr. Wheeler that the change of opinion came over you when you saw the lawyer?

Mr. DOBLIN. Why, on the way to the lawyer's.

Mr. BUTLER. Then you think this is coming out all right for you to come here and retract, do you?

Mr. DOBLIN. No.

Mr. BUTLER. Then what did you mean when you said it would come out all right?

Mr. DOBLIN. Nothing particular.

Mr. BUTLER. You meant nothing?

Mr. DOBLIN. I don't remember what I was talking about at the time, except that we were discussing the case.

Mr. BUTLER. What had your people said to you about it before you made the statement that it would come out all right?

Mr. DOBLIN. They discussed it very fully.
Mr. BUTLER. What had they said to you before you made the remark that it would come out all right?
Mr. DOBLIN. Nothing, as I remember.
Mr. BUTLER. Therefore they having said nothing to you, you made the remark that it would come out all right, did you?
Mr. DOBLIN. To my brother, on the way to the lawyer.
Mr. BUTLER. You did not make the remark then before you went to the lawyer with your brother?
Mr. DOBLIN. Not that I remember.
Mr. BUTLER. I understood you to say that this change in your conscience had come about before you went to the lawyer?
Mr. DOBLIN. I was on my way; yes, sir.
Mr. BUTLER. Therefore it was on your way, between your home and the lawyer's?
Mr. DOBLIN. Yes, sir.
Mr. BUTLER. That this change came over you?
Mr. DOBLIN. About that, I think.
Mr. BUTLER. What had your brother said to you that suggested that remark?
Mr. DOBLIN. Nothing at all.
Mr. BUTLER. Therefore, your brother having said nothing to you, you made that remark?
Mr. DOBLIN. We were talking about the proposition.
Mr. BUTLER. Talking about changing your testimony?
Mr. DOBLIN. No, sir.
Mr. BUTLER. Then you did not talk to any person about changing your testimony until you saw the lawyer?
Mr. DOBLIN. Why, on the way over I was discussing it with my brother.
Mr. BUTLER. Did you not mean that it would come out all right, that Mr. Quigg would be condemned?
Mr. DOBLIN. I didn't think anything about it.
Mr. BUTLER. You did not think anything about it?
Mr. DOBLIN. Not at that time.
Mr. BUTLER Then you made the remark without thinking?
Mr. DOBLIN. I might have.
Mr. BUTLER. You made the first statement because you were told to make it, did you not?
Mr. DOBLIN. I don't know what statement you refer to.
Mr. BUTLER. You made your first statement to the subcommittee in there because you were told to make it?
Mr. DOBLIN. I received the inference by the paper.
Mr. BUTLER. Do you mean to say you found an inference in the newspaper that you were to make such a statement as you made before the subcommittee?
Mr. DOBLIN. Well, I got a telegram, and thinking it was all confidential, and Mr. Lessler assuring me there was nothing to it——
Mr. BUTLER. Then you made this first statement upon the assurance of Mr. Lessler, did you?
Mr. DOBLIN. I won't say as to that.
Mr. BUTLER. Upon whose authority and by whose direction did you make the second statement, the testimony you gave here the other day?
Mr. DOBLIN. My own.
Mr. BUTLER. That was voluntary?
Mr. DOBLIN. No, sir; by notice to appear.
Mr. BUTLER. You appeared under the direction of the chairman of the committee?
Mr. DOBLIN. Yes, sir.
Mr. BUTLER. And were sworn as a witness?
Mr. DOBLIN. Yes, sir.
Mr. BUTLER. But without having had it suggested to you what you should say? You made that statement to this committee?
Mr. DOBLIN. To carry out the statement I made before.
Mr. BUTLER. Following up what you had said the day before?
Mr. DOBLIN. Before the subcommittee.
Mr. BUTLER. You knew when you appeared before this subcommittee that you were not qualified as a witness and required to tell the truth, in the estimation of some people?
Mr. DOBLIN. I don't know.
Mr. BUTLER. Who think that way upon such suggestions?
Mr. DOBLIN. I don't know.

Mr. BUTLER. You knew the second day when you appeared that you were sworn as a witness?
Mr. DOBLIN. I was sworn.
Mr. BUTLER. Did you ever hear of an offense called perjury?
Mr. DOBLIN. I have heard of it.
Mr. BUTLER. Where did you ever hear of it?
Mr. DOBLIN. I have heard it around court.
Mr. BUTLER. You did know then when you testified last week that you were committing perjury.
Mr. DOBLIN. I didn't think about it then.
Mr. BUTLER. But did you know it?
Mr. DOBLIN. I didn't think about it then.
Mr. BUTLER. If you did not think about it, of course you did not know it.
Mr. DOBLIN. I didn't think about it then.
Mr. BUTLER. Did you think of the effect of your testimony upon Mr. Quigg?
Mr. DOBLIN. No, sir.
Mr. BUTLER. At the time?
Mr. DOBLIN. No, sir.
Mr. BUTLER. You were absolutely lost to all sense of propriety and decency, were you?
Mr. DOBLIN. I was told.
Mr. BUTLER. Who told you?
Mr. DOBLIN. I was told by Mr. Lessler there would be nothing to it; it would be all right.
Mr. BUTLER. Did Mr. Lessler tell you there would be nothing to the offense you would commit if you should commit perjury?
Mr. DOBLIN. I have a telegram there that says everything was all right.
Mr. BUTLER. Did you mean by that that it was all right to commit perjury?
Mr. DOBLIN. I didn't understand that.
Mr. TATE. Who suggested to you first that you see a lawyer?
Mr. DOBLIN. Myself.
Mr. TATE. You were the first one to suggest it?
Mr. DOBLIN. Yes, sir.
Mr. TATE. Then it is not true that the members of you family suggested it to you?
Mr. DOBLIN. I did not say that.
Mr. TATE. I say that it is not true, in point of fact, that the members of your family suggested that you see a lawyer?
Mr. DOBLIN. I was walking——
Mr. TATE. No, I did not ask you that. No one suggested that you should see a lawyer; you just got the idea of seeing a lawyer, then, yourself?
Mr. DOBLIN. Yes, sir.
Mr. TATE. You did not see a lawyer by reason of any family conference, or the suggestion of any members of your family?
Mr. DOBLIN. No, sir.
Mr. TATE. You did it upon your own motion?
Mr. DOBLIN. Yes, sir.
Mr. TATE. How far does this lawyer live from where you live?
Mr. DOBLIN. Seventy-eighth street; about three or four blocks.
Mr. TATE. You went to his place, and you showed him this article in the paper with your picture?
Mr. DOBLIN. No, sir.
Mr. TATE. You said something to him about it, did you; or did he mention it to you?
Mr. DOBLIN. No, sir.
Mr. TATE. What did you say?
Mr. DOBLIN. I said to him that I came here to retract this statement I made.
Mr. TATE. To retract the statement?
Mr. DOBLIN. Yes, sir.
Mr. TATE. He said that he knew of it, did he?
Mr. DOBLIN. He knew something about it.
Mr. TATE. He told you you could not stand for a statement like that, did he?
Mr. DOBLIN. No, sir.
Mr. TATE. He did not tell you any such thing as that in that conversation?
Mr. DOBLIN. I don't remember his saying that.
Mr. TATE. When he told you that, he began preparing this affidavit that you swore to?
Mr. DOBLIN. Not at that time.
Mr. TATE. When did he prepare that paper?

Mr. DOBLIN. I don't know when he commenced it. It was done at some time in the evening. I was downstairs with Mrs. Rogers in the basement reading the paper.

Mr. TATE. Did you remain there until that paper was prepared?

Mr. DOBLIN. No, sir.

Mr. TATE. Where did you go when you went out for the first visit?

Mr. DOBLIN. I went out to dinner.

Mr. TATE. Where did you go then?

Mr. DOBLIN. I went down to our club, on East Princeton street.

Mr. TATE. Whom did you see then?

Mr. DOBLIN. A couple of boys there. I didn't say anything about it.

Mr. TATE. Where did you go then?

Mr. DOBLIN. I went down to Mr. Rogers's house.

Mr. TATE. And he told you that he would prepare this statement, and for you to come back?

Mr. DOBLIN. No, sir.

Mr. TATE. Did he have it ready?

Mr. DOBLIN. No, sir.

Mr. TATE. He prepared it then?

Mr. DOBLIN. Yes, sir.

Mr. TATE. Did he prepare it before you got there or after?

Mr. DOBLIN. Yes, sir.

Mr. TATE. He prepared it after you got back there?

Mr. DOBLIN. He prepared it in my presence.

Mr. TATE. He prepared it in your presence. What did he tell you the particular purpose of preparing that proposed statement was?

Mr. DOBLIN. He did not say the particular purpose. I told him I wanted to make a statement retracting what I had said here. I told him what was the thing I wanted to retract.

Mr. TATE. You told him and he wrote it out?

Mr. DOBLIN. Yes, sir.

Mr. TATE. What did he tell you was the particular purpose of that?

Mr. DOBLIN. He said he would present it to the committee if they would receive it; and if not, he would ask them to put me on the stand.

Mr. WHEELER. In perfect frankness, is not this a fact, that you have been induced to make this statement, and that the parties who got you to make it were taking no chances on it, and were making you swear to it when you agreed to?

Mr. DOBLIN. No, sir.

Mr. WHEELER. Is not that a fact?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Mr. Doblin, do you recollect me examining you the other day?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. In the course of my examination you testified that when you went out with Mr. Quigg to lunch, he said to you in substance, speaking of the Holland boat proposition, "There is $5,000 in it." That, I understand you to say, is not true; that is not true?

Mr. DOBLIN. No, sir.

Mr. NICOLL. You also said that later on that Quigg said something to the effect that he would try to see if he could get you a thousand dollars. That is not true, is it?

Mr. DOBLIN. No, sir.

Mr. NICOLL. You also stated in your testimony that he told you to call him up on the telephone at half past 3 in the afternoon, at his office, when he could tell you whether or not he could get you this extra thousand dollars; is that true?

Mr. DOBLIN. No, sir.

Mr. NICOLL. You also testified that he called you up over the telephone, and that he said over the telephone, when you were speaking of this matter, "That is all right," referring to the thousand dollars; is that true?

Mr. DOBLIN. I had a talk over the telephone——

Mr. NICOLL. No, no; is it true that he said over the telephone, referring to the thousand dollars, "That is all right?"

Mr. DOBLIN. No, sir.

Mr. NICOLL. You also stated in your testimony that thereafter you went out and saw Mr. Lessler, the next day, I think, and told him that you had had a talk with Mr. Quigg, and that there was $5,000 in it. That is not true, is it?

Mr. DOBLIN. No, sir.

Mr. NICOLL. And then on the same day you reported to Mr. Quigg that Mr. Lessler would not take this money; that is not true, is it?

Mr. DOBLIN. I did not have any talk with him about money.

Mr. NICOLL. You did not have any talk with him about money; you had a talk with him?

Mr. DOBLIN. I had a talk with him.

Mr. NICOLL. And you said to him——

Mr. DOBLIN. That Mr. Lessler was not inclined to be friendly to the proposition.

Mr. NICOLL. That Mr. Lessler was not inclined to be friendly to the proposition?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. He said nothing about money to you in that conversation?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Now, I examined you at some length about your coming down to Washington for Mr. Quigg—to see Mr. Lessler. You told me that you came to Washington on the 12 o'clock train, and got to the Normandie at 10 o'clock in the morning?

Mr. DOBLIN. Somewhere about that.

Mr. NICOLL. Seven o'clock in the morning. It was at the arrival of the midnight train from New York?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Did you go straight to the Normandie?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Was the train on time?

Mr. DOBLIN. I don't know; no, sir. It may have been a little late. I didn't pay any attention.

Mr. NICOLL. Did you take any such notice of time as that you are able to say when you got to the Normandie on that morning?

Mr. DOBLIN. I think the train is due here at 7.30.

Mr. NICOLL. You have already introduced in evidence a telegram dated January 20, signed "Monte," which reads: "Will take midnight train, and come home. Want to see you. Keep this confidential." Did that telegram convey to your mind any idea of why Mr. Lessler wanted to see you?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Or why you were to keep it confidential?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Did you know at that time that Mr. Lessler had made a statement before his colleagues of the Naval Committee that he had been tempted with a bribe?

Mr. DOBLIN. No, sir.

Mr. NICOLL. And that he had virtuously rejected it?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Did you know that?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Did you know any reasons why you should keep the fact confidential that you were coming to Washington to see him?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Did you keep it confidential?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Did you tell anybody about it?

Mr. DOBLIN. No, sir. Oh, yes, sir.

Mr. NICOLL. You did?

Mr. DOBLIN. I had to get some money, and I said to a particular friend of mine named Mann, Joseph Mann, who is the treasurer of the Republican Union, to lend me some money. "I am going out of town to-night," and "keep this confidential," and of course did not go any further.

Mr. NICOLL. Of course not. But did you say that Lessler had sent you a telegram from Washington?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Summoning you at midnight?

Mr. DOBLIN. No, sir.

Mr. NICOLL. And telling you to keep it confidential?

Mr. DOBLIN. No, sir.

Mr. NICOLL. You did not say that?

Mr. DOBLIN. No, sir.

Mr. NICOLL. In fact, you did not tell Mr. Joseph Mann that you were going to see Mr. Lessler at all?

Mr. DOBLIN. No, sir.

Mr. NICOLL. You said that you were going out of town?

Mr. DOBLIN. No, sir. I might have said that I was going to Washington. I don't remember the exact language.

Mr. NICOLL. Now, is it a fact that the first you knew of the circumstance that Mr. Lessler had made a statement concerning the offer of a bribe to him to support the Holland boat proposition was when you got to Washington?

Mr. DOBLIN. Yes, sir.

Mr. WHEELER. Let me suggest something to you. Do you not think that we have had enough of this, Mr. Chairman?

Mr. NICOLL. You want to cut me off?

Mr. WHEELER. Yes, sir; I want to cut you off. I want to stop this.

The CHAIRMAN. Oh, no, no!

Mr. NICOLL. If you want to cut me off, cut me off.

Mr. TATE. The committee will decide whether you are cut off or not.

Mr. NICOLL. Cut me off, if you want to.

Mr. WHEELER. I just simply suggest it. There is no use of your being so angry.

Mr. NICOLL. I just desire to examine the witness a very little further. I have not been three minutes yet.

Mr. WHEELER. The witness has taken such an attitude that it is useless to take up the time of the committee to consider any statement that he might make.

Mr. NICOLL. I beg your pardon, Mr. Wheeler. I take a different view of it. I consider that the wickedest and foulest plot against my client, an ex-Member of the House, has been revealed here to-day, and I want to probe it here to-day. It entails consequences which every one of us must see must happen. I want to probe it to the bottom.

Mr. WHEELER. I would certainly be very glad to, but the difficulty is we are looking at only one end of the string.

Mr. NICOLL. I have no interest in the Holland boat proposition, or anything concerning it.

Mr. BUTLER. We all understand that, Mr. Nicoll.

Mr. NICOLL. It is perfectly obvious that at some time, if this committee does not take it up, there will be some investigation of this matter. Are we not saving time in doing it now? We are all here, and are all anxious to get at the truth.

The CHAIRMAN. Go ahead, Mr. Nicoll.

(The last question and answer were read by the stenographer.)

Mr. NICOLL. Now, when you got into the room with Mr. Lessler, as I understand it, on that morning, he did not have this paper, did he [indicating newspaper]?

Mr. DOBLIN. No, sir.

Mr. NICOLL. So that at your first session with him, while he was dressing, you did not know of this article in the paper, did you?

Mr. DOBLIN. No, sir.

Mr. NICOLL. You have read this article, have you not?

Mr. DOBLIN. Not very carefully—just now. I have read it.

Mr. NICOLL. You have looked it over since the committee was here?

Mr. DOBLIN. You mean the article in the Post?

Mr. NICOLL. In the Post.

Mr. DOBLIN. Of Wednesday morning.

Mr. NICOLL. Of Wednesday morning?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. This article reads as follows: The headline: "Tells of bribe offer. Mr. Lessler says attempt was made to buy support. Alleged proffer of $5,000. Object sought, he declares, was appropriation of additional submarine torpedo boats. Subcommittee of House Naval Affairs Committee is investigating New York Member's charge."

Now, before you ever read the article, did you not learn from Mr. Lessler that he had blurted—made this statement?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Of an offer of a bribe to him?

Mr. DOBLIN. Yes, sir. While he was getting out of bed, and putting on his trousers.

Mr. NICOLL. Exactly what did he say then, as nearly as you recollect it?

Mr. DOBLIN. I knocked on the door, and he said "Come in," and I think the door was open, or he may have got up and opened the door. He was there in his nightclothes, and he said, "I got you in trouble."

Mr. NICOLL. Tell us just as near as you can recollect the details. That is exactly what I want.

Mr. DOBLIN. He said, "I got you in trouble." "How is that," I said.

Mr. NICOLL. Did you understand what he meant?

Mr. DOBLIN. No, sir.

Mr. NICOLL. When he said, "I got you in trouble?"

Mr. DOBLIN. No, sir.

Mr. NICOLL. That did not convey anything to your mind?

Mr. DOBLIN. No, sir.

Mr. NICOLL. Very well; then what did you say?

Mr. DOBLIN. I said, "How do you mean—what do you mean?" "Why," he said, "I blurted it out to the committee yesterday, in the committee of the whole, and they appointed a subcommittee;" and he said, "You got to appear before the subcommittee," and then "You appear before the subcommittee, and it will be all right," and "Wait a minute." I think it was about that juncture when he went downstairs and got the paper and came back, and I said, "What do you mean?"

Mr. NICOLL. Wait a moment; you are going too fast for me. All this time, I understand you, he was putting on his clothes, and taking off——

Mr. DOBLIN. He had already gotten his clothes on when he went down for the paper.

Mr. NICOLL. In the meantime your conversation lasted during the period when he was taking off his night clothes and washing and putting on his day clothes, did it not?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. How long a period did that take?

Mr. DOBLIN. I guess twenty minutes.

Mr. NICOLL. Twenty minutes?

Mr. DOBLIN. Yes, sir; fully.

Mr. NICOLL. Have you told us all the conversation that occurred within that twenty minutes?

Mr. DOBLIN. No, sir. He said, "I simply blurted it out." I said, "blurted what out?"

Mr. NICOLL. That is right. Go on and tell it.

Mr. DOBLIN (continuing). "Why," he said, "I told the committee yesterday that I had been approached by a bribe, and I told them that you had had a talk with Quigg about this subject."

Mr. NICOLL. Yes; that is on the subject of the Holland boat?

Mr. DOBLIN. Yes, of the Holland boat. And he said that he had "blurted out this whole business." I said, "What whole business?" "Your conversation with Quigg." I said, "What conversation with Quigg?" He says, "Wait a minute," and went down and got the paper and brought it back, and I looked at it.

Mr. NICOLL. Wait a moment. Until that time you did not understand that he was referring to the conversation with Quigg, in which he had been offered $5,000, did you? Did you; I want to know that?

Mr. DOBLIN. At that time?

Mr. NICOLL. Yes.

Mr. DOBLIN. Why, he was speaking about the proposal.

Mr. NICOLL. About——

Mr. DOBLIN. He was getting dressed when he was speaking about the proposition?

Mr. NICOLL. What proposition?

Mr. DOBLIN. About this bribe charge, that he had blurted out.

Mr. NICOLL. Now, you know perfectly well, if your story is true here to-day, as you say it is, that you had not had any talk with Mr. Quigg about money, did you not?

Mr. DOBLIN. That is right.

Mr. NICOLL. Yes. And that he had not offered you any $5,000 or $1,000?

Mr. DOBLIN. That is right.

Mr. NICOLL. Yes. What did you say to Mr. Lessler?

Mr. DOBLIN. I said, "Why, I can not stand for this."

Mr. NICOLL. You "can not stand for it?"

Mr. DOBLIN. No, "I can not stand for it." He said, "It's all right. You must go before the subcommittee, and they will report it to the full committee, and that will be all there is to it." I had the paper in my hand.

Mr. NICOLL. If I understand, he came back and showed you this paper?

Mr. DOBLIN. At the time I had——

Mr. NICOLL. There is nothing said about Quigg in that paper, is there?

Mr. DOBLIN. He told me that he had said "Quigg."

Mr. NICOLL. He told you that Quigg was the man?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. You came and told the subcommittee, in my presence, that you were to get a thousand dollars in addition out of it?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. There is nothing stated about that in the Post. How did that come in?

Mr. DOBLIN. Well, I suppose that Lessler had said something about a thousand dollars and some member of the subcommittee said, when I was talking about the thousand-dollar proposition, or at least before I had made any mention, after the committee had said it was all right, he said—some member of the committee, I don't know who it was—"There is five thousand in it for you and Lessler, and $1,000 extra," and I thought that maybe Lessler had said something to the subcommittee about an extra thousand dollars, and I was trying to substantiate it.

Mr. NICOLL. Now, Mr. Doblin, did Mr. Lessler say anything to you as to the fact as to whether he had gotten himself into difficulty, or in a hole, on this subject?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. What did he say on that subject?

Mr. DOBLIN. I can not say exactly, but he used the whole language that he used, because there was twenty minutes' talk, and a whole lot of talk in that time; but the substance of it was, "I am in a hole here, and you have got to just carry it out."

Mr. NICOLL. That was the substance of it?

Mr. DOBLIN. Yes.

Mr. NICOLL. Well, were you not brought face to face then with the proposition as to whether or not you would go so far in helping out a friend as to make a false statement concerning another man?

Mr. DOBLIN. I never thought anything about it. When Mr. Lessler told me it was all right I simply carried out his instructions.

Mr. NICOLL. That is, did you believe, or did what he tell you lead you to believe, that you would make an informal statement to a subcommittee; is that it?

Mr. DOBLIN. Absolutely stated that there would be nothing to it. "Just go up there"—after I talked to him a few minutes—"go up there and make your statement, and there will be nothing further to it."

Mr. NICOLL. "There will be nothing further to it?"

Mr. DOBLIN. They will report to the——

Mr. NICOLL. To the full committee?

Mr. DOBLIN (continuing). "The full committee," and "that that will be all there will be of it. I will go and see the Speaker." Then he came back, and Son was there, and Son went away and when Lessler left he told me that he would have Son come for me.

Mr. NICOLL. Of course you must have been conscious that you were doing a great wrong to Mr. Quigg to make statements of that sort, if they were not true?.

Mr. DOBLIN. Well, I thought Mr. Lessler knew what he wanted.

Mr. NICOLL. Did you feel yourself under such deep obligations to Mr. Lessler that you were willing to go there and do that for him?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And did you think you had rendered him a useful and substantial service when you made these statements to the subcommittee?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And did you go back to New York satisfied that you had so rendered him a substantial service?

Mr. DOBLIN. He so told me on the way back.

Mr. NICOLL. What did he say?

Mr. DOBLIN. He said, "You are all right—it is all right."

Mr. NICOLL. He said that it was all right?

Mr. DOBLIN. He was reading some book, and then he didn't want to discuss the subject any more.

Mr. NICOLL. Is that all he said to you?

Mr. DOBLIN. Oh, we went to—before I had decided to go to New York he sent this telegram.

Mr. NICOLL. He sent the telegram to your wife?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Which you have already put in evidence here?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. You got back to New York on the night of the 21st, did you not? You went right back, was it—you went back to New York what night? Look at the calendar there [indicating calendar on wall].

Mr. DOBLIN. Wednesday night.

Mr. NICOLL. That is the 21st, is it not?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. And you did not come back to Washington until the night of the 23d? Is that it? You came back to Washington on the night of the 23d?

Mr. DOBLIN. Midnight of the 23d; yes, sir.

Mr. NICOLL. You then knew, did you not, that you were wanted by the whole committee?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. When you got to Washington that morning, where did you go?

Mr. DOBLIN. To the Normandie.

Mr. NICOLL. Did you see Mr. Lessler?

Mr. DOBLIN. Yes, sir.

Mr. NICOLL. Did you go to his room?

Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Did you ring the bell or knock at the door?
Mr. DOBLIN. Why, he met me at the train that morning and we walked up.
Mr. NICOLL. He met you at the train last Saturday morning?
Mr. DOBLIN. Yes, sir; we walked up, and got in a bus, and rode in the bus to the Normandie.
Mr. NICOLL. And when you got to the Normandie, where did you go?
Mr. DOBLIN. We had breakfast served in the room.
Mr. NICOLL. In the room?
Mr. DOBLIN. He did.
Mr. NICOLL. What—where?
Mr. DOBLIN. He did. He had breakfast served in his room.
Mr. NICOLL. Did you know then that you had been requested by the full committee, through its chairman, to appear before them?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Did you know then that you would come before the committee and be sworn?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. And repeat this testimony?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. What, if anything, did Mr. Lessler say as to this?
Mr. DOBLIN. Well, we were sitting at breakfast, and Mr. Lessler said: "I don't remember anything about the thousand dollar business; where did you get that?" "Well," I said, "at the subcommittee some member of the committee had referred to the five thousand dollars and the thousand dollars, and I supposed that you had said something about a thousand dollars, and it was well to take it up."
Mr. NICOLL. You knew, did you not, that you were coming down here that morning?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. Last Saturday morning?
Mr. DOBLIN. Yes, sir.
Mr. NICOLL. To be sworn and examined before the subcommittee?
Mr. DOBLIN. Yes, sir. And at that time I was still assured there would not be anything to it.
Mr. NICOLL. Who said that to you?
Mr. DOBLIN. Mr. Lessler.
Mr. NICOLL. Where did he say it to you?
Mr. DOBLIN. At the Normandie, while we were eating.
Mr. NICOLL. What did he say to you?
Mr. DOBLIN. He said, "There will not be anything to this. You just go there and corroborate your statement to the subcommittee, and there will not be anything to it."
Mr. NICOLL. Did you appreciate at that time that you were accusing Mr. Quigg of a crime?
Mr. DOBLIN. No, sir.
Mr. NICOLL. You did not so understand it, did you?
Mr. DOBLIN. No, sir. Mr. Lessler assured me that it was all right, and I took his word.
Mr. NICOLL. You had such supreme confidence in him that you relied on his word?
Mr. DOBLIN. Absolutely.
Mr. NICOLL. Ahead of your own experience?
Mr. DOBLIN. Yes, sir.
Mr. RIXEY. I want to ask one question. My recollection of the testimony of Mr. Lessler before the subcommittee was that he made no mention of the fact that you were to get a thousand dollars at all. His statement was that he was to get what your proposition to him was, that you were to get $5,000.
Mr. DOBLIN. I would get that; yes, sir.
Mr. RIXEY. Now, you say that some member of the subcommittee mentioned the thousand dollars before you said anything about it. Are you positive about that?
Mr. DOBLIN. Yes, sir.
Mr. RIXEY. Are you positive of that?
Mr. DOBLIN. At the time some member of the committee, whoever it was, mentioned the $5,000 and the $1,000 extra.
Mr. RIXEY. They mentioned that Lessler's statement was that he was to get $5,000, and you were to get $1,000 extra?
Mr. DOBLIN. No, sir. The way the conversation came was, as I remember now, "Didn't Quigg say to you that there was $5,000 in it, and that there was $1,000 in it for you?" And I turned around at the time and I said, "I didn't say anything about Quigg."

Mr. RIXEY. Do you mean to say now—I am not talking about Quigg, but about the thousand-dollar proposition—that some member of the subcommittee propounded that question to you?

Mr. DOBLIN. This is the way I heard it. They did not propound any question.

Mr. RIXEY. They asked you that question, you said?

Mr. DOBLIN. They simply said: "You remember talking to Lessler about"——

Mr. RIXEY. I understand; but you stated a moment or two ago that you never thought of the thousand dollar statement until some member of the subcommittee suggested it to you. Now, is that true?

Mr. DOBLIN. That is where I got the impression from.

Mr. RIXEY. From some member of the subcommittee?

Mr. DOBLIN. In the talk.

Mr. RIXEY. It was asked you in your examination before the subcommittee, you said, if you were to get a thousand dollars?

Mr. DOBLIN. Yes, sir; that is my recollection.

Mr. RIXEY. Before you ever thought of it, and you say that the question suggested to you your answer?

Mr. DOBLIN. Yes, sir.

Mr. RIXEY. Now, I don't know how the other committeemen remember it——

Mr. TAYLER. Did you not say to the subcommittee when you reopened this matter that the amount that was involved, that the figure named by Quigg was $6,000?

Mr. DOBLIN. I might.

Mr. TAYLER. And we asked you what disposition would be made of that, and you said, Why, $5,000 of this was for the other fellow, whoever he might be, and $1,000 for you.

Mr. DOBLIN. I might have.

Mr. TAYLER. Was not that the way the matter arose?

Mr. DOBLIN. It might have.

Mr. TAYLER. Another matter: You remember going to Mr. Quigg's office with Mr. Obermeier?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. What did you say to Mr. Obermeier about money having been offered for help in this Holland boat business?

Mr. DOBLIN. I don't remember saying anything to him about money.

Mr. TAYLER. Did you not have some talk with him saying that there had been some suggestion of money respecting Quigg before you had seen Quigg, and that was out of it, and now you wanted to get it without that?

Mr. DAYTON. You mean Lessler?

Mr. TAYLER. I mean Lessler; yes. If I said Quigg I meant Lessler. Just change that question to Lessler. Strike out that question and I will ask it again.

Did you not say to Mr. Obermeier that there had been some question of securing influence by money, but now you were going to try to get Lessler without the use of money?

Mr. DOBLIN. I don't remember.

Mr. TAYLER. Did you?

Mr. DOBLIN. I don't remember.

Mr. TAYLER. Do you say that you did not?

Mr. DOBLIN. I might have.

Mr. TAYLER. You might have. If you said it, how did you come to say it?

Mr. DOBLIN. I don't remember.

Mr. TAYLER. You don't remember. Had there been any talk about money prior to that time?

Mr. DOBLIN. No, sir.

Mr. TAYLER. None at all.

Mr. DOBLIN. No, sir.

Mr. DAYTON. Just one question I want to ask. Did you ever tell Mr. Obermeier, in any conversation, that there was no money in it, or the money proposition had been made by Quigg, or anyone else, to Lessler?

Mr. DOBLIN. I don't remember.

Mr. DAYTON. You don't remember of ever telling him anything to that effect?

Mr. DOBLIN. No, sir.

Mr. DAYTON. Can you remember your conversations with Mr. Obermeier? How many did you have?

Mr. DOBLIN. One that I remember.

Mr. DAYTON. Did you inform him in that conversation that you were authorized or that Quigg was authorized—or words to that effect—to offer money to Lessler?

Mr. DOBLIN. I think not.

Mr. DAYTON. Did you ever tell anybody?

Mr. DOBLIN. No, sir.

Mr. ROGERS. Mr. Obermeier, in his testimony before the committee, distinctly stated that in the conversation which you had with him you talked of Lessler's anticipated support of the Holland boat proposition, and then you said to Obermeier that there was nothing in it. Now, what did you mean by that expression that there was "nothing in it," if you said that to Obermeier?

Mr. DOBLIN. I don't remember that I said anything like that.

Mr. OBERMEIER. I beg pardon. I have been misquoted. I can quote it.

Mr. ROGERS. I would like to have the stenographer read it.

Mr. TAYLER. It will be easier for Mr. Obermeier to state it again, and I would rather have him state it again.

Mr. OBERMEIER. I said, that to the best of my recollection, Mr. Doblin had said to me, and I thought the statement had been made after I had seen Quigg, in a general way, that there had been money considerations discussed, but there was nothing in it. And I qualified it by saying that I supposed it meant, and I assumed it meant, that that sort of thing did not go, and he now wanted it discussed from the point of view of doing a personal favor.

Mr. ROGERS. Mr. Obermeier says he said there was nothing in it.

Mr. TAYLER. That is not what he said. He said that there had been money in it.

Mr. ROGERS. Mr. Obermeier now states that he said there had been money in it, but that "there was nothing in it."

Mr. Obermeier has stated that you had said there had been money in it, or a money proposition in it, but there was nothing in it. Will you kindly tell this committee what you meant by saying that "there was nothing in it," if you said so.

Mr. DOBLIN. I asked Mr. Obermeier to go and see Mr. Quigg for the purpose, when he went down to Washington, to see if he could not get a friendly disposition toward this, because it would be a good political move. And I said nothing that I recollect regarding money, excepting I might have talked about the amount of the appropriation, in a general way, talking about the Holland torpedo boat.

Mr. ROGERS. But you did not state, directly or indirectly, that a money proposition had been made to Mr. Lessler?

Mr. DOBLIN. No, sir; not that I remember.

Mr. ROGERS. Or that he had rejected it, and that there was nothing in it, so far as Mr. Lessler was concerned?

Mr. DOBLIN. Not that I remember.

Mr. ROGERS. Now, when you came and saw Mr. Rogers yesterday at No. 162 East Seventy-eighth street, did anybody send you there?

Mr. DOBLIN. No, sir.

Mr. ROGERS. Did you come there entirely of your own will?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. You came to employ Mr. Rogers as your counsel?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. How long had you known Mr. Rogers, prior to yesterday?

Mr. DOBLIN. I don't know; a long time.

Mr. ROGERS. You knew that Mr. Rogers was practicing law in New York city?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. Now, before you saw Mr. Rogers, and on your way back from Washington, whom did you see?

Mr. DOBLIN. Mr. Rogers.

Mr. ROGERS. On the way back——

Mr. DOBLIN. Mr. Lessler.

Mr. ROGERS. Was anything said at that time about looking up the law?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. Who said anything about looking up the law?

Mr. DOBLIN. Mr. Lessler said that he would look up the law to-morrow.

Mr. ROGERS. For what purpose.

Mr. DOBLIN. He didn't state.

Mr. ROGERS. Was it in response to any question you put to him, or any question put to you, that he said he was going to look up the law?

Mr. DOBLIN. We discussed it a little, and then we tried to sleep, and then we tried to read the papers.

Mr. ROGERS. Was there anything said about looking up a proposition of law?

Mr. DOBLIN. Yes, sir; absolutely.

Mr. ROGERS. Referring to this thing?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And the testimony that you had given?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. Was not that one of the things that prompted you to go and consult counsel?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. You knew that Mr. Lessler had a peculiar interest of his own here, did you not?
Mr. DOBLIN. I did not consider that so much at that time.
Mr. ROGERS. Was not that one of the reasons why you did not want to go and see Mr. Lessler about it, that you knew that he was an interested party?
Mr. DOBLIN. Oh, certainly.
Mr. ROGERS. Now, Mr. Doblin, you called at number 162 East Seventy-eighth street, in the morning, the first time?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. Did you remain some time?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. And accompanied by your brother, but he did not take any part in the conference?
Mr. DOBLIN. No, sir. He went in the front room, and the door was closed.
Mr. ROGERS. And then you left Mr. Rogers?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. And returned again?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. And after you had come there, how long was it before the gentleman, who took your affidavit came in?
Mr. DOBLIN. Well, we had talked a little while together.
Mr. ROGERS. Yes; but how many minutes or hours was it after you came back in the afternoon, after half past 2, before this gentleman came?
Mr. DOBLIN. It was probably 7 or 8 o'clock.
Mr. ROGERS. Then two hours had intervened?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. And this gentleman was introduced to you by Mr. Rogers as being an associate of his?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. In his visit?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. And when you came into the room they were discussing some other business than yours?
Mr. DOBLIN. Yes, sir. And you said, "Wait a moment."
Mr. ROGERS. And then your statement was taken down in the presence of Mr. Rogers and this other gentleman, Mr. Hurkimer?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. And he was the gentleman who swore you to this affidavit at the time?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. And he assisted in the preparation of that?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. Now, had you seen anybody except Mr. Rogers from the time that you came in his house yesterday until you came here to testify to-day?
Mr. DOBLIN. No, sir.
Mr. ROGERS. Did anybody suggest to you from any source, either by writing or by communication of any sort to you, that you could come here and change your testimony?
Mr. DOBLIN. No, sir.
Mr. ROGERS. And is it not a fact that you came here to change your testimony only from the fact that you know it is untrue, and that you wanted to come here and correct it?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. Now, something was said about the legal consequence of your acts. You are not in the habit of testifying before legislative committees?
Mr. DOBLIN. Never did.
Mr. ROGERS. Did you ever look up the law with regard to the powers and nature of legislative committees, or the effect of testifying before one of them?
Mr. DOBLIN. No, sir.
Mr. ROGERS. Do you know whether a legislative committee has the same power as a court does?
Mr. DOBLIN. I do not know.
Mr. ROGERS. Did anyone ever tell you before to-day whether a legislative committee was the same as a court of law?

Mr. DOBLIN. No, sir.

Mr. ROGERS. Or that the testimony given here was the same as that given upon the stand in a court of justice?

Mr. DOBLIN. No, sir.

Mr. ROGERS. Something was said about perjuring here to-day. Did you discuss the question of perjury with Mr. Rogers, and have some reference with him to the statute?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And Mr. Rogers advised you that it was a probability that your testimony might be regarded, as given here the other day, as perjured, and that a criminal prosecution might follow?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And Mr. Rogers advised you fully as to the legal consequences of your act?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. In coming here and testifying the other day?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And of coming here and correcting your testimony?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. In what capacity did you consult Mr. Rogers, as a friend or as a lawyer?

Mr. DOBLIN. As a lawyer.

Mr. ROGERS. On both occasions that you came to Washington from New York you came in response to telegrams from Mr. Lessler, and you went to see him at his hotel?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. Arriving both times at about the same hour?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. What time was that?

Mr. DOBLIN. Between 7 and 8 o'clock.

Mr. ROGERS. And you had breakfast with Mr. Lessler on both occasions?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And you remained with him until you came to the committee room?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. Now, Mr. Doblin, is it not a fact that you came to this committee, this subcommittee of this Committee of the Whole, and told this story, because you thought you were doing an act of friendship, and evincing your friendship toward Mr. Lessler?

Mr. DOBLIN. Absolutely.

Mr. ROGERS. You were all this time friends with Mr. Lessler?

Mr. DOBLIN. Yes, sir; and I am now.

Mr. ROGERS. And you had some slight connection with him in his office?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And visited him there?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. You visited him almost daily?

Mr. DOBLIN. When he was in town.

Mr. ROGERS. Did you have a desk there?

Mr. DOBLIN. No, sir.

Mr. ROGERS. But you used his desk?

Mr. DOBLIN. Any time I wanted to I had permission to do so.

Mr. ROGERS. Now, you knew Mr. Lessler's political progress and reward would be a benefit to you, did you not, Mr. Doblin?

Mr. DOBLIN. I always regarded it very highly.

Mr. ROGERS. And you knew that if Mr. Lessler got in the possession of affluence and influence he could assist you to get along in this world yourself?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And that was one of the reasons you came here to help Mr. Lessler since this question came up before the House?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. Now, I have one other question. Do you want this committee to understand now that you have told them the truth and nothing but the truth?

Mr. DOBLIN. On this testimony?

Mr. ROGERS. Yes.

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. Is there anything now that you desire to correct?

Mr. DOBLIN. No, sir.

Mr. ROGERS. And you are positive now that this is a voluntary statement made by you without any promise of reward?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. Have you been promised any reward for coming here to day?

Mr. DOBLIN. No, sir.
Mr. ROGERS. Or anything whatever?
Mr. DOBLIN. No, sir.
Mr. TAYLER. Did you try to get immunity from Mr. Nicoll or Mr. Quigg?
Mr. DOBLIN. No, sir.
Mr. TAYLER. Did your counsel?
Mr. DOBLIN. I don't know anything about what he did.
Mr. TAYLER. Did he?
Mr. DOBLIN. I don't know.
Mr. TAYLER. Did he tell you that he did?
Mr. DOBLIN. I don't know.
Mr. TAYLER. Did he tell you that he was going to try to?
Mr. DOBLIN. No, sir.
Mr. MEYER. You stated, as I understand, that your sense of obligation to Mr. Lessler was so great that it inspired you to come before this committee and make a false statement, under the belief that it would assist and aid him; is that correct?
Mr. DOBLIN. Yes, sir; at that time.
Mr. MEYER. What is the nature of that obligation to Mr. Lessler? What had he done for you that would inspire you to go to such extremes?
Mr. DOBLIN. He has indorsed me for positions in Mr. McCullagh's office. He has been friendly to me and aided me whenever I needed money. Whenever I wanted to borrow a dollar I could go to him.
Mr. MEYER. Have you ever borrowed any considerable sums from him?
Mr. DOBLIN. Large amounts?
Mr MEYER. Large amounts.
Mr. DOBLIN. A hundred dollars at one time?
Mr. MEYER. A hundred dollars—that is about the extent?
Mr. DOBLIN. I never needed any more. I never asked him for anything. He always told me any time I wanted anything I could have it.
Mr. MEYER. Is that all he has done for you, lent you money in sums some times equal to $100, and at other times recommended you for political appointments?
Mr. DOBLIN. He did, as I said the other day, recommend me for two or three positions.
Mr. MEYER. But that is about the extent of the obligation under which you are placed?
Mr. DOBLIN. As I say, I was very friendly, and visited his house, and he was very nice to my children, and everything like that.
Mr. KITCHIN. Is it true, as you stated the other day, that he had secured some receiverships for you?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. Congressmen Tayler and Wheeler have put some questions to you as to what took place in this subcommittee. Now, you do not want to be understood as saying that Mr. Tayler and Mr. Wheeler put any words in your mouth?
Mr. DOBLIN. No, sir.
Mr. ROGERS. Tell us, when you first came into the subcommittee room, did you volunteer a statement or was the question put to you?
Mr. DOBLIN. The question was put to me before I volunteered any statement.
Mr. ROGERS. And tell us generally, as near as you can tell us, not the exact words, but the substance of the question that was put to you.
Mr. DOBLIN. Did not Quigg tell you that there was $5,000 in it, and $1,000 extra if you got it through?
Mr. ROGERS. Now, are you sure that that was the question, or was not this the question: Was not something said in that subcommittee room to this effect: "Mr. Doblin, is it not a fact that Mr. Quigg said something about $6,000 being in it for Lessler and you, or $6,000 for Lessler?"
Mr. DOBLIN. Yes, sir. I heard Congressman Tayler say that a little while ago.
Mr. ROGERS. Now, was the question divided up into the $5,000 and $1,000, or was it a bulk sum of $6,000?
Mr. DOBLIN. It might have been stated—I did not get the exact terms in which it was stated. It was $6,000 in it.
Mr. ROGERS. You will not be positive as to the language. Whether it was $5,000 and $1,000 or whether it was bulked at $6,000?
Mr. DOBLIN. I don't remember the language.
Mr. ROGERS. But when that question was put, you remembered that you had read in the Washington Post that the bribe was $5,000?
Mr. DOBLIN. Yes, sir.
Mr. ROGERS. Or the proffered bribe?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. That is all upon that point, and I have one other question to put.

Mr. Doblin, you know that Mr. Rogers is your attorney, and is acting in same good faith that you are?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And you know that he is politically opposed to you?

Mr. DOBLIN. Yes.

Mr. ROGERS. That he is a Democrat in politics?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. I believe you have already stated that you are a Republican?

Mr. DOBLIN. I presumed I was.

Mr. TAYLER. I understood you to reply to your counsel, who is of the opposing political party, fortunately, that you were not the first one to mention $6,000 before the subcommittee?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. That is right, is it?

Mr. DOBLIN. Yes, sir.

Mr. TAYLER. It was mentioned to you by one member of the committee, was it?

Mr. DOBLIN. As I say, some member of the subcommittee said something about $5,000 or $6,000 that was either divided or together. I don't know.

Mr. TAYLER. Were you not the person that said $6,000?

Mr. DOBLIN. I might.

Mr. TAYLER. You might have.

Mr. DOBLIN. Yes, sir; I might have done it.

Mr. TAYLER. And it was you who named the division of the six thousand dollars into five and one, was it not?

Mr. DOBLIN. I might have.

Mr. TAYLER. You might have. Is not that a fact?

Mr. DOBLIN. I don't remember exactly.

Mr. TAYLER. You were not very regardful, in that interview, of the truth, anyhow, were you?

Mr. DOBLIN. I was trying to substantiate the story.

Mr. TAYLER. It did not make any difference how you did it, so you did it?

(Question not answered.)

Mr. WHEELER. Is not this a fact: In response to a question by Mr. Tayler when he asked you this question: Did Quigg ever tell you to see Lessler and offer him $5,000, did you not say, "I have not said that?" And it was then the discussion arose as to whether you were required to answer?

Mr. DOBLIN. It was about that time.

Mr. WHEELER. And after some parley did you not say that Mr. Quigg told you that there was $6,000 in it if you could get Lessler to vote for these boats, and did you not say that you made the division, and offered Mr. Lessler $5,000 and were to take $1000 for yourself?

Mr. DOBLIN. I might have.

Mr. WHEELER. Is not that a fact?

Mr. DOBLIN. I might have.

Mr. WHEELER. You might not, too.

Mr. DOBLIN. Yes; I might not have, too.

Mr. WHEELER. Have you any recollection on that subject?

Mr. DOBLIN. Excepting that it was discussed at that time.

Mr. WHEELER. What is your recollection; am I speaking truthfully or not?

Mr. DOBLIN. I believe you are.

Mr. ROGERS. I would like to ask one or two other questions on something that Mr. Wheeler brought out. When you came in the subcommittee room you had not been sworn?

Mr. DOBLIN. No, sir.

Mr. ROGERS. And was there not some discussion as to whether or not you ought to answer questions?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And was there not something said there about recourse being had to the House to require you to answer?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And it was after that talk was had that you made this statement?

Mr. DOBLIN. Yes, sir.

Mr. ROGERS. And is it not a fact that you stated to that committee that you did not want to answer any questions unless you had to?

Mr. DOBLIN. Yes, sir.

Mr. BUTLER. You came there to sustain Mr. Lessler?

Mr. DOBLIN. Yes, sir.

Mr. BUTLER. Then why could you have any objection to speaking? You came there not to question but to defend Mr. Lessler?

Mr. DOBLIN. Yes, sir; he told me to.

Mr. BUTLER. To sustain Mr. Lessler?

Mr. DOBLIN. Yes, sir.

Mr. BUTLER. Then why did you not speak voluntarily when you came?

Mr. DOBLIN. Because it did not occur to me. I only asked the question whether I had to answer it.

Mr. BUTLER. If you came there to sustain Mr. Lessler why did you ask that question?

Mr. DOBLIN. I don't know.

Mr. BUTLER. Then if we had stated to you you need not answer, you would not have said anything, would you?

Mr. DOBLIN. Yes, sir.

Mr. BUTLER. How can you reconcile your two statements?

Mr. DOBLIN. I beg your pardon.

Mr. BUTLER. How can you reconcile your two statements? You came there to sustain Mr. Lessler?

Mr. DOBLIN. Yes, sir.

Mr. BUTLER. And yet you say you declined to answer until we made it plain to you that we would compel you by some process?

Mr. DOBLIN. Mr. Lessler said that it was all right, and I only asked the question.

Mr. BUTLER. Do you not think that is an answer to the question that I have asked you?

Mr. DOBLIN. Yes, sir.

Mr. BUTLER. Well, it may satisfy you—well, I am not going to have anything more to do with it.

(Witness excused.)

Thereupon at 1.50 p. m. the committee took a recess for one hour, at the conclusion of which the committee went into executive session, and at 3.30 p. m. adjourned until to-morrow, Tuesday, January 27, 1903, at 10.30 o'clock a. m.

WASHINGTON, D. C., *January 27, 1903.*

The committee met at 10.30 o'clock a. m., Hon. George Edmund Foss in the chair.

The CHAIRMAN. Mr. Lessler asks for an executive session of the committee this morning.

Mr. LESSLER. Mr, Chairman, I would like to be recalled first. Mr. Wheeler suggests that before we go into executive session I be recalled.

The CHAIRMAN. Very well.

ADDITIONAL TESTIMONY OF HON. MONTAGUE LESSLER.

Hon. MONTAGUE LESSLER was recalled and examined.

The CHAIRMAN. Mr. Lessler, do you desire to make a statement?

Mr. LESSLER. Yes. Mr. Chairman, I desire to deny absolutely and unequivocally as false the statement made by the witness Doblin here yesterday as to any collusive scheme or any of the substantial details sworn to by him here; and I desire to reiterate that the facts as originally told me are true.

I desire to call attention to the following facts: That as to the telegram referred to on page 94. "Take midnight train and come to me. Want to see you. Keep this confidential." The members of the subcommittee will remember that the statement I made to them was on Tuesday afternoon; that at that time everything before us was in camera and that I said I would produce the witness Doblin in the morning, but I did not desire his name to appear in any way. The result was that that telegram was sent by me here from this committee room. Mr. Doblin came into my room a few minutes after 8 o'clock. I had left the door unlocked and he knocked at the door, waking me up. I asked, "Who is there?" He said "Phil" or "Doblin," I have forgotten which. I said "Come in." He came in the room with his overcoat on, and I said, "Phil, I have gotten you into trouble." He said, "How is that?" "Well," I said, "I have told in committee the whole story of the submarine proposition." He said, "Oh, that is terrible, that is terrible." "Well, now," I said, "keep up your nerve; all you have to do is to tell the truth here and nothing but the truth." I meanwhile got up and was dressing. I went to the bathroom to attend to the toilet *and came back.* He was walking up and down. I said to him, "Now, I said to the

committee yesterday that when you came over I would say nothing to you as to the testimony or the story, and I don't want it discussed between us." I was then fully dressed. We walked out to the elevator and went down to breakfast, and I did as I do every morning. I picked up the paper, the Washington Post, the only paper that arrives at that time, and walked on. We went in to breakfast. I got my mail at the office first, and then we went in together. When we sat down I read the story, and I desire to have in full in the evidence the article in the Post of Wednesday, January 21, which was shown here yesterday.

Mr. LOUDENSLAGER. That is already in, is it not?

The CHAIRMAN. That is already in evidence, is it not, Mr. Lessler?

Mr. LESSLER. No; not in extenso.

The CHAIRMAN. Do you desire to have that made part of the record?

Mr. LESSLER. Yes, sir; I desire to have that article in the Post made part of the record. We went upstairs, and the talk that went on was absolutely nothing as to his testimony here. The whole talk was as to his position in New York and what might occur to him, how he was politically ruined in New York. I was very much impressed, of course, by the fact that he was in a serious situation, and I did walk in to the Speaker, and I told the Speaker that the proposition was undergoing examination here, and that if it were possible to stop a public investigation of course no man likes the notoriety of it. He said to me, "It has to go on, and we will see later on." We then came back. I put on my hat and coat and came up and spoke to the gentlemen of the committee. We had a talk, during which it was understood that his name should not be mentioned for the public prints. I then telephoned my secretary to go over to my hotel—to the Normandie Hotel——

Mr. VANDIVER. You say "his name;" whose name do you refer to?

Mr. LESSLER. Doblin's name. I then telephoned my secretary to go to the Normandie Hotel and bring Mr. Doblin here to the committee. I was not present. I don't know what happened, from personal knowledge, of course, before that committee. Mr. Doblin left the committee room and I never saw him again until his reappearance in Washington in answer to the other telegram, after the committee had decided to ask the House for a resolution of investigation. Then my testimony was heard on the 25th.

After the testimony was in a question was asked as to Doblin's appearance. I said to the committee that I had no doubt about it that he would come without having a subpœna served to come, and he did come; and I dictated some of these telegrams to my secretary to send to his wife, who, of course, as he told me, was very much upset about it.

His testimony was heard here. He left and went with me to the train, and a few minutes before train time—he had arranged to stay here—I said he had better stay. I believe he said to some member of the committee while we were in the room, had he better stay or not. At the last minute he said he thought he would be better off if he went home every Sunday. I said, "Very well," and telephoned some member of the committee asking him if there was any objection to his going home. He went home on the train. There was very little spoken of on the train going home. He recalls the circumstance regarding my saying I would examine the law as to his immunity from punishment or not. The way that arose was that he asked me the substance of what Mr. Tayler stated was the law on that proposition, and I said I would look it up. He left me; the train was a little late—about 11.30 of Saturday night—promising to rejoin me, to come back, as I had promised the committee he would come back on Sunday night, and I never saw him from that time until he appeared in the committee room, and had no idea as to what he was doing or what he did.

I would like, in addition, to deny the statement of the witness McCullagh as to my saying there was but one member of the committee who was absolutely honest, or whatever he testified in that regard. I want to point out the fact that while testifying the question was asked me if anyone was present at the time Mr. McCullagh called. That is on page 8.

The WITNESS. Yes, sir.

By Mr. TAYLER:

Q. Who?—A. My secretary in Washington.

By Mr. BUTLER:

Q. What is the name of that secretary?

The WITNESS. Frank P. Son.

Q. What is his address?—A. I can get him on the telephone in a minute.

Q. What is his address?—A. I don't know. Somewhere on Twelfth street. I can get him on the telephone.

I desired to go away on the 3 o'clock train that afternoon to New York, and I had my bag, and, as usual, my secretary was to bring my mail here; and the first intimation the young man had that he was to testify here was while sitting in this very chair. The door was open and he was sitting in the window seat and I beckoned him to come in, and he came right in and sat down in the chair here without any previous word as to his coming as a witness before this committee.

I should like further to deny the statement of the witness Quigg that I said to the effect that the members of the committee who voted for the Holland torpedo boat were knaves and that the others who did not were honest men, or words to that effect.

I don't think of anything else.

Mr. BUTLER. Mr. Chairman, may I ask the witness two or three questions?

The CHAIRMAN. Certainly.

Mr. BUTLER. I do not think it is important what you said to other members of the committee, but I would like to ask you three or four questions as to what occurred when Doblin first came to your room Wednesday morning there. Was it on Wednesday morning?

Mr. LESSLER. Yes; I have stated that and I will state it again.

Mr. BUTLER. You had not yet risen from your bed?

Mr. LESSLER. No.

Mr. BUTLER. Mr. Doblin came in alone?

Mr. LESSLER. Yes, sir.

Mr. BUTLER. Was anyone in the room at the time Doblin came in?

Mr. LESSLER. No one except myself.

Mr. BUTLER. No third person was there?

Mr. LESSLER. No third person; no, sir.

Mr. BUTLER. How soon after Doblin came in did your secretary arrive?

Mr. LESSLER. We were down eating breakfast and he came in from the street in to the breakfast table.

Mr. BUTLER. And sat down with you?

Mr. LESSLER. He sat down a minute, and took my mail after I had opened it. I opened it at the breakfast table and he came in; and he came in and took my mail and went upstairs, and then afterwards we went upstairs together.

Mr. BUTLER. As soon as you could finish your breakfast, you went to your room?

Mr. LESSLER. Yes.

Mr. BUTLER. You found your secretary, Mr. Son, there?

Mr. LESSLER. Yes, sir; I think I went to my room then and Doblin joined me. I think he went down to get a shave.

Mr. BUTLER. Was your secretary then in the room until you departed from the Capitol?

Mr. LESSLER. Until I departed for the Capitol.

Mr. BUTLER. And you left Mr. Doblin there?

Mr. LESSLER. In the room.

Mr. BUTLER. With the Secretary?

Mr. LESSLER. No; one minute. The secretary left first, because I sent him with a note, I think, to the Shoreham. No; Mr. Son left, then I left and he remained in my room alone. That is the exact order.

Mr. BUTLER. How much of this conversation between you and Mr. Doblin which occurred that morning did Son hear?

Mr. LESSLER. Well, Mr. Son was there. I was dictating.

Mr. LESSLER. They contained a confidential statement given to committee.

Mr. MUDD. But what I am getting at is this: You, as I understand, testified here one day and he the next.

Mr. LESSLER. I testified on Tuesday afternoon before the subcommittee and he came Wednesday morning before the subcommittee and went home. Then I testified in public, I think, on Friday.

Mr. MUDD. Thursday, was it not?

Mr. LESSLER. Friday, the 23d of January.

Mr. MUDD. And Doblin on Saturday?

Mr. LESSLER. Doblin came over on Saturday. We had wired him, you remember, to come.

Mr. MUDD. You do not know whether in the meantime he had read your statement?

Mr. LESSLER. No.

Mr. VANDIVER. It was Friday, was it not, instead of Saturday?

Mr. LESSLER. On Friday, the 23d, I testified and I telegraphed and received a telegram from him—"Can not come until Monday." Then I said I thought he could come, and I telephoned to somebody in New York to go on and find him, and he came Saturday morning.

Mr. MUDD. Did you see him between the time of your testimony before the committee and his testimony before the committee?

Mr. LESSLER. No, sir; he left the committee room and went out.

Mr. MUDD. I mean the full committee. Between the time you testified before the full committee under oath and the time he testified that way, did you see him?

Mr. LESSLER. Just as I have stated.

Mr. MUDD. In the meantime it had all come out in the paper?

Mr. LESSLER. Yes, sir; I think some of the New York papers.

Mr. MUDD. I want to ask one question to see if I understood you right. I do not know that it is very material, but you stated you dictated some of those telegrams?

Mr. LESSLER. I think so.

Mr. MUDD. Is there any question of your having sent any telegrams?

Mr. LESSLER. Oh, no; not a word. I don't know which ones he dictated part of.

Mr. MUDD. You said he dictated some of them. I did not know whether you meant to exclude them all.

Mr. LESSLER. I mean that I wrote some of them. The next to the last telegram in the depot, he seemed a little nervous——

Mr. MUDD. There is no dispute as to the sending?

Mr. LESSLER. Oh, no; not at all.

Mr. RIXEY. Mr. Lessler, you stated in your former examinations that your relations with Mr. Doblin had been quite intimate for a number of years?

Mr. LESSLER. No; I did not.

Mr. RIXEY. I thought you did.

Mr. LESSLER. I stated specifically I knew of him since about 1894, and I was nominated for Congress on the 21st of December, 1901; that he was then employed in the county committee in New York, and that he took a very active and strong interest in the campaign. I think you will find that at page——

Mr. RIXEY. I understand that. I recollect the substance of your testimony, too, that your relations had been such that you thought you knew him very well, and you thought he was a very warm personal friend of yours, who would do anything he could to advance your interests?

Mr. LESSLER. Yes, sir; that is true, and I testified to it.

Mr. RIXEY. What I wanted to ask you was if anything had occurred, if you had any intimation from any source that he was the character of man he had been proven before this committee to be by his own confession?

Mr. LESSLER. Absolutely none, Mr. Rixey.

Mr. RIXEY. You had no reason to disbelieve the statement he came to you with?

Mr. LESSLER. No reason in the world to disbelieve it.

Mr. RIXEY. So far as you know, up to the beginning of this investigation, Doblin is a man who has enjoyed good reputation in the city of New York.

Mr. LESSLER. I never knew of the wrongdoing of Doblin in any form, shape, or manner before. I never knew of his word being doubted at all. I know that he has been in political relations with various presidents of the county committee, and employed there at a place where a great many things, confidential and otherwise, are given to members, and I never knew of him being doubted in the slightest. I am totally at a loss to understand the proposition as it now is.

Mr. RIXEY. You know of no reason, with your knowledge of all the circumstances out of which this investigation has grown, which accounts for this change of testimony on the part of Doblin?

Mr. LESSLER. I know of no reason, Mr. Rixey.

Mr. KITCHIN. Mr. Lessler, I am not sure that I understood you correctly, but I did understand you to say that the subcommittee told you that if Doblin came down and testified, his statement would not be given to the press, and that then you telephoned to your secretary to that effect?

Mr. LESSLER. Yes, sir—not that effect. I telephoned to bring Doblin.

Mr. KITCHIN. Before Doblin appeared before that committee, was he not informed, through you, or by your secretary, that his name would not be given to the press?

Mr. LESSLER. No, sir. I phoned from the other room in the full presence of six members of the committee. I think six—yes; I am sure, six.

Mr. KITCHIN. Why were you interested as to whether his name should be given to the press or not, then, if you were not going to communicate it to him?

Mr. LESSLER. Why I was interested in not communicating his name to the press?

Mr. KITCHIN. Yes.

Mr. LESSLER. Because I felt it would put him in the position of a scapegoat, and that he would be hounded in New York by the very men with whom for years he had political relations.

Mr. KITCHIN. So your real reason for asking that his name be not given to the press was because you did not want to hurt him in New York among his political friends there?

Mr. LESSLER. The real reason, Mr. Kitchin, was that it was understood in the committee that until such a time as the full committee ordered an investigation, or asked the House to order an investigation, that no name should be given to the press, and that no man, at least on the subcommittee, should speak on the subject outside of the committee room.

Mr. KITCHIN. If it had been known to you and Doblin both that his name would be at once given to the press, would that have affected his examination, in your judgment? Would he still have been examined?

Mr. LESSLER. I think he would still have been examined. I simply came up and spoke to the committee about the whole proposition.

Mr. KITCHIN. Of course if you have any objections I do not want to ask it, but I would like to know myself why you wrote that first telegram and asked him to keep it confidential. I understand why it was written, but why was it kept confidential?

Mr. LESSLER. I wanted his journey here kept confidential because the whole matter was confidential before our subcommittee, Mr. Kitchin.

Mr. KITCHIN. So you thought the whole matter was confidential?

Mr. LESSLER. It certainly was before our subcommittee.

Mr. KITCHIN. Now, just one other question I wish to ask. You have stated to us you told have some of the members of this committee about this thing some time ago. I would like to know whether you told them about the McCullagh transaction and this charge of bribery, or both—to other members of the committee.

Mr. LESSLER. I think I mentioned the McCullagh transaction to some of the members of the committee.

Mr. KITCHIN. Did you mention the other to them; did you mention the bribery to them?

Mr. LESSLER. No; I think the main point in my mind that I spoke of was the so-called Quigg-Doblin episode.

Mr. KITCHIN. But you had not mentioned any bribery to any of these other members, Mr. Foss, Mr. Dayton, or Mr. Wheeler.

Mr. LESSLER. Why, I told you just now and I told you the other day, that I did mention that very thing.

Mr. KITCHIN. What; at first?

Mr. LESSLER. Yes.

Mr. KITCHIN. But you say now the main thing you had in mind was the McCullagh——

Mr. LESSLER. No; you are entirely mistaken.

Mr. KITCHIN. I want to get that straight.

Mr. LESSLER. I want to give it to you straight.

Mr. KITCHIN. I was not before the subcommittee and I do not know what you told.

Mr. LESSLER. Oh, no; this is before there was any committee we are talking about now, that some time after the session opened I told one or two or three of these gentlemen this business we are now investigating.

Mr. KITCHIN. You did tell them a bribe had been offered you of $5,000?

Mr. LESSLER. Yes.

Mr. KITCHIN. Did you give the names of Doblin and Quigg in it?

Mr. LESSLER. I don't think I did, sir.

Mr. KITCHIN. You just simply told them you had an opportunity of selling your vote for $5,000, or words to that effect?

Mr. LESSLER. No; not words to that effect. I just gave the main outline of the episode.

Mr. KITCHIN. I mean you did tell them enough to let them know the proposition had been made at a price of $5,000 for your vote?

Mr. LESSLER. Yes; I think I did that.

Mr. KITCHIN. Did you tell each one of these gentlemen that?

Mr. LESSLER. My recollection is that Mr. Foss and Mr. Dayton were together when I spoke of it, but I won't be certain of that.

Mr. KITCHIN. I believe you stated to-day that you did think that was before Christmas.

Mr. LESSLER. Yes.

Mr. KITCHIN. In your recollection?

Mr. LESSLER. But the point of time——

Mr. KITCHIN. You say you are not certain about that?

Mr. LESSLER. The point of time is now so fixed by various things that it must have been after the 1st of January.

Mr. KITCHIN. At that time you thought some of this proposition might have been made prior to the meeting of Congress some time in the last of December.

Mr. LESSLER. I was not certain as to the time.

Mr. KITCHIN. I mean the last of November.

Mr. LESSLER. Yes; I was not certain about the time; but these gentlemen, various of them, fix the dates now, so that the whole matter must have occurred in the month of December.

Mr. KITCHIN. Toward the latter part of December, probably.

Mr. LESSLER. Well, somewhere between the 12th and the 1st of January.

Mr. RIXEY. Just one question right there. When did you make up your mind, Mr. Lessler, to inform the Naval Committee of the facts which you finally informed them of on Tuesday, I believe—Tuesday, the 20th?

Mr. LESSLER. I don't think I made up my mind on the proposition, Mr. Rixey. I think, to be very frank with you, during the whole discussion it came right out. That is the whole proposition.

Mr. RIXEY. It was not premeditated or intentional on your part?

Mr. LESSLER. No; it was not.

Mr. MEYER. Mr. Chairman, I would like to ask one question.

The CHAIRMAN. General Meyer.

Mr. MEYER. Mr. Doblin stated in his testimony that he made false statements to the committee because of his deep sense of obligation to you. I should like to ask if you feel disposed to answer what was the nature of the obligation that he was under to you.

Mr. LESSLER. Doblin, General, has been in political life, as he told you, about twenty years. He has been a very useful man to a great number of men. My judgment is that most of them have simply used him, and when the use has been through have thrown him away like a dishrag. The result is he has nothing and remains nobody. He came to me at a time, and during a time, where his political knowledge, his getting-about ability and hustling, as we call it, was of great use to me, and when the opportunity came I simply showed that I was grateful to him, and did not do the way I think others have done—throw him by the board. When he needed something, and I could give it, I gave it. I simply put it that way. He was under no obligations to me. The exact record of what I have done for him is plain. I never recommended him to McCullagh, as he stated. I never spoke to McCullagh, or to any man about him, for him to get that position. I never saw McCullagh but once in my life, a few days after the election, to tell him of some of the things that had come to me in election connected with his work, and his work only. I had asked that these small receiverships out of which $10 or $20 may be made, be given him, and they were. Otherwise I know of nothing. He did not have a right to sit at my desk in my office, for instance, and when I came home one day I found that he had gone to my desk, and the boy in my office had allowed him to, and I scolded and directed that he must not be allowed to open my desk during my absence and sit there, and I told him that he must not. I think that completely answers your question, General. There is no obligation that would, in my judgment, permit a man to do what he says he had to do.

Mr. ROBERTS. It was not just clear in my mind, Mr. Lessler, what you said about not going to the depot with Mr. Doblin after he had testified. Did you deny going down with him after he had testified?

Mr. LESSLER. When, when?

Mr. ROBERTS. After he testified.

Mr. LESSLER. He came on Wednesday, and during that time I had some business on the floor and I went to the floor. When I came back to the full committee Mr. Doblin had already gone. When on Saturday he testified, he met me right outside the door and we walked down to the depot, and there I telegraphed his wife this telegram: "January 24," I think. "Phil examined. Substantiates story in every way. He is all right. Will stay here for a time." And thereupon he said: "What will I do over Sunday alone? I think I had better go home." And I telephoned to the committee and said there was no objection to Mr. Doblin's going home. The answer came that they didn't see any, and I bought his ticket, paid for his seat in the drawing-room and his dinner, and as he, I believe, stated, there was not much talk, because I was reading during the trip and left him at South Ferry at about 11.20 odd, and didn't see him again.

Mr. ROBERTS. Then it is true that you went down to the depot, just as he testified?

Mr. LESSLER. Certainly, Mr. Roberts.

Mr. ROBERTS. You do not deny, as I understood you——

Mr. LESSLER. Mr. Roberts, I just told you I was. Why should I deny it?

Mr. ROBERTS. I was not there, and my understanding was not correct. I understood you to say you denied going to the depot.

Mr. LESSLER. Then your understanding was wrong.

Mr. TATE. You have the statement and the evidence confused.

Mr. LOUDENSLAGER. He has the dates confused, I think, rather.

Mr. ROBERTS. That is just what I am driving at. Where and when did Mr. Doblin ever testify that you went to the station with him after he appeared before the subcommittee?

Mr. LESSLER. No one ever said so, Mr. Roberts, and I have not said so.

Mr. ROBERTS. I just want it cleared up.

Mr. LESSLER. I haven't said so and no one else said so except yourself.

Mr. ROBERTS. I have not said so.

Mr. LESSLER. You just said it, Mr. Roberts.

Mr. ROBERTS. I had an understanding of what you said and I wanted to see if it was right.

Mr. LESSLER. You had it wrong.

Mr. ROBERTS. That is what I want to get at. You just referred to the McCullagh episode, and if I am wrong, correct me. You said you told one, two, or three members of this committee about the McCullagh episode at the time you told them of the bribe.

Mr. LESSLER. No; you are wrong again.

Mr. ROBERTS. You did not so state?

Mr. LESSLER. I say you are again wrong.

Mr. ROBERTS. You did not so state?

Mr. LESSLER. I now state to you that I said in answer to Mr. Kitchin that I may have told them also about the McCullagh episode, but I am not certain about that.

Mr. ROBERTS. You are not certain that you said it?

Mr. LESSLER. No; I am not certain.

Mr. ROBERTS. Have you ever said anything to any member of the committee about the McCullagh episode?

Mr. LESSLER. I don't think I can put it any more strongly than that. I have answered that two or three times now.

Mr. ROBERTS. Answer this question now.

Mr. LESSLER. Yes.

Mr. ROBERTS. Did you not state in this committee, when we were in session last year discussing the Holland submarine boat as it came before us under an amendment, that Mr. McCullagh had come to you and attempted to influence you?

Mr. LESSLER. I ask you, did I?

Mr. ROBERTS. I am asking you.

Mr. LESSLER. I am asking you, and if you say I did I am quite willing to take your word for it.

Mr. ROBERTS. Then you will say, will you, that you did say that in committee?

Mr. LESSLER. I say I don't remember it; but if you remember it then it must probably have been said, because I never told you outside, or ever mentioned it to you at all.

Mr. ROBERTS. Just a moment. Will you take my memory of that transaction as yours?

Mr. LESSLER. I will take your memory of the fact of having stated that matter, but you can come on the stand and swear to it, Mr. Roberts.

Mr. ROBERTS. I am asking you if you will take my memory of it as yours and agree that that is correct?

Mr. LESSLER. No; I won't take your memory altogether as mine. I will say to you that if you remember that I stated it before this committee, you remember something that I am in doubt about.

Mr. ROBERTS. Then you do not know whether you stated it before this committee in the meeting?

Mr. LESSLER. I will have to say again that I do not remember.

Mr. DAYTON. Mr. Chairman, with all due respect to my colleague, Mr. Roberts, it does seem to me that this examination is an improper one, and one that he ought not to inflict on this committee—that style of examination.

Mr. ROBERTS. Why not?

Mr. DAYTON. A question as to whether a man will take your memory or anybody's memory for his own is not a fact that we are interested in.

Mr. ROBERTS. He said he would take my memory.

Mr. LESSLER. No; I did not.

Mr. TATE. This testimony, I think, is for the committee, anyway, and not for Mr. Lessler and Mr. Roberts.

Mr. MUDD. This is not a place for a trade. They have got to swap outside.

Mr. ROBERTS. When you mentioned this offer of the bribe to certain members of the committee, did they ask you any of the details?

Mr. LESSLER. No; I think not. I say no.

Mr. ROBERTS. And you did not give them to them?

Mr. LESSLER. No.

Mr. VANDIVER. I desire to ask a few questions. You spoke awhile ago of Doblin's character not being revealed to you prior to this episode of yesterday. Let me ask you what impression you got of the man from his making you such a proposition as he did?

Mr. LESSLER. I must answer you again as I answered you before, Mr. Vandiver. The money part of it had no impression for me. The school in which he is brought up does not concern itself with high-minded morals, and my idea of it was that this man mentioned that as lightly as he would mention any other thing lightly; and the point with him was unquestionably, I believed at the time, and believe now, that it was an intense desire to serve me and let me become persona grata to Mr. Quigg, who he believes, or did believe, or does believe to be one of the influential men of New York City.

Mr. VANDIVER. But you regarded him then merely as an intermediary bringing to you a proposition from Mr. Quigg.

Mr. LESSLER. I did not regard it at all. He states it exactly as it occurred. I was standing or sitting at my desk opening the mail, and he came in just as he describes it and I said "Quit, quit," or "nothing to it," and that ended the episode to me.

Mr. VANDIVER. But now you have based your charge of an attempt at bribery upon that very incident.

Mr. LESSLER. Yes, sir.

Mr. VANDIVER. An incident upon which you saw was so quickly disposed of and so lightly considered you made use of to base a serious charge of bribery against a prominent citizen?

Mr. LESSLER. Yes.

Mr. VANDIVER. Now, I ask you what impression that gave you as to the character of the man who made the offer of a bribe?

Mr. LESSLER. I have given you——

Mr. VANDIVER. Whether you regard Mr. Quigg or Mr. Doblin as the author of the proposition—you certainly must regard one of them as the author of it?

Mr. LESSLER. I say frankly that I would have regarded Mr. Quigg more at fault in a proposition of that kind than Mr. Doblin, as being a man of different caliber and differently positioned in the world.

Mr. VANDIVER. Not caring to press that further, I want to ask one or two other questions. You spoke a while ago of seeing Mr. Doblin when he came here at your request, and his embarrassing position and not wanting to testify; you went to see the Speaker, as I understood it, with a view to seeing if the investigation could not be kept within limits and not made public. Is that it?

Mr. LESSLER. Within our own ranks, as I had supposed at first, Mr. Vandiver, I was talking among ourselves.

Mr. VANDIVER. Was that before the House had passed this resolution authorizing the investigation?

Mr. LESSLER. As I stated before, it was the morning of Wednesday, January 21, when Doblin came over at my request to make his statement to the subcommittee.

Mr. VANDIVER. After the Speaker informed you that it must go forward, that there could be no secrecy about it, you went to the subcommittee, you stated, and consulted with them about it and received from them some kind of assurance that his name would not be given out——

Mr. LESSLER. I received no assurance.

Mr. VANDIVER. Well, an understanding.

Mr. LESSLER. Will you let me make a statement, Mr. Vandiver, to clear up that subcommittee business, if I can?

Mr. VANDIVER. Just wait until I get through, Mr. Lessler. Perhaps I did not state it exactly.

Mr. LESSLER. You did not state it exactly right.

Mr. VANDIVER. Instead of saying an assurance, I think your word was you had an understanding with the subcommittee?

Mr. LESSLER. I had an understanding with the full committee once, if you remember. We all had an understandtng with each other that whatever we said here was in executive session and should not be spoken of outside. That was the only thing—that the whole matter should not be given publicity until such time as the House took the matter up.

Mr. VANDIVER. Mr. Lessler, you have referred again, as you have several times before, to this understanding in the full committee—that we were in executive session. Therefore I must ask you another question right on that point.

Mr. LESSLER. Yes.

Mr. VANDIVER. When you first made your statement to the full committee, did you not preface it by saying, "I shall put no ban of secrecy upon the committee?"

Mr. LESSLER. I don't think I did.

Mr. VANDIVER. Did you not say you were going to state things which you were intending to state on the floor of the House?

Mr. LESSLER. Well, I was pretty excited, Mr. Vandiver, and I don't remember making such a statement as that.

Mr. VANDIVER. I shall not ask other members of the committee to say anything about that, but it seems to me that was the recollection of all the members of the committee, that you put it that way. Then one more question on that point. I only press it a little further because you have several times referred to it yourself. Did you think that a charge of that nature could be made in the presence of seventeen members of this committee and three clerks and one or two others standing around and no investigation follow?

Mr. LESSLER. I didn't think of the subject of investigation at all, Mr. Vandiver.

Mr. VANDIVER. Coming back to the point from which this was a digression: This understanding you say you had with the subcommittee, that Doblin's name was not to be given us, was had before you sent down for him to come up and testify.

Mr. LESSLER. My understanding—I had no understanding with the subcommittee. My understanding of the position of the subcommittee was that nothing that went on, either as coming from me or coming from Doblin or anybody else that they would summon or ask or request to testify, would be given out and made public.

Mr. VANDIVER. You have denied, as I understand, specifically, two statements by two witnesses here in regard to passing judgment on members of the committee?

Mr. LESSLER. Yes, sir; that is right.

Mr. VANDIVER. Your denial, of course, is general and also specific as to that incident referred to?

Mr. LESSLER. I should make the denial as specific as it is possible to make it, and in any form that you would desire to have it made.

Mr. VANDIVER. I am not trying to press the gentleman.

Mr. LESSLER. You may press.

Mr. VANDIVER. Further, on that specific charge, if he does not desire to answer the question I am going to ask now, of course I shall not urge him to do so.

Mr. LESSLER. Why preface it? I have not refrained from answering anything. Why make a preface like that?

Mr. VANDIVER. Was anything said in that conversation on that subject?

Mr. LESSLER. With whom?

Mr. VANDIVER. With either of these witnesses whose testimony you desired?

Mr. LESSLER. The committee was never mentioned by either of us in either conversation or interview with either Mr. Quigg in my office or Mr. McCullagh in my hotel room.

Mr. VANDIVER. After you had seen the Speaker and then had gone to the subcommittee was anything said in the subcommittee about closing this investigation and not pressing it further?

Mr. LESSLER. No; the subcommittee said that they would discuss the matter and, when I was present, instructed Mr. Tayler to bring the report that you heard to the full committee. The best evidence of what was said in the subcommittee was the report——

Mr. VANDIVER. Well, that was the conclusion.

Mr. LESSLER. One minute, Mr. Vandiver, was the report given to this committee by Mr. Tayler, which you heard, which all of us heard?

Mr. VANDIVER. Well, I would just like a little more explicit information on that point as to whether you at any time, either in full committee or in conversation with any member of the committee, spoke of dropping this matter and letting it stop at that, without an investigation?

Mr. LESSLER. Yes; I think I did. I think I spoke to the committee, feeling of course that I was the center of a proposition that was more than unpleasant and of which I must of course carry the brunt. We discussed it, and whatever was said resulted in the report made by Mr. Tayler to the full committee.

Mr. VANDIVER. Of course you must have considered, before you made such a charge as this, what the serious nature of it was and what it would naturally lead to.

Mr. LESSLER. I think I have answered you before, or I answered Mr Rixey, that my statement here was absolutely unpremeditated.

Mr. VANDIVER. But you did consider the question of dropping the investigation at that point?

Mr. LESSLER. I think we all considered it, Mr. Vandiver, right in this committee.

Mr. VANDIVER. Well, to be just a little more explicit, Mr. Lessler, did you not express a willingness to drop the matter or practically abandon the charge?

Mr. LESSLER. I would quite put it that way.

Mr. VANDIVER. I am willing for you to put it any way you please so as to get the facts.

Mr. LESSLER. I say I would put it quite in that way. I certainly expressed a feeling and a desire that I would like to have the matter dropped, but not that I would abandon the charge.

Mr. BUTLER. Mr. Lessler, let us begin at the time that Mr. Doblin made this corrupt proposition to you, assuming that he did make it. That proposition, then, was known by you and by him only, leaving Mr. Quigg out of the investigation at this time.

Mr. LESSLER. Yes; at that date. If the date is fixed, it was somewhere around the 12th.

Mr. BUTLER. For the purpose of my inquiry it is not important to know the date.

Mr. LESSLER. Yes, sir.

Mr. BUTLER. There was a close secret between you and him—between Mr. Doblin and Mr. Lessler?

Mr. LESSLER. If you mean by "understanding" between us, no.

Mr. BUTLER. Who knew it besides you?

Mr. LESSLER. I say if you mean by "understanding" between us, I know nobody else.

Mr. BUTLER. You did not at that time know of any person who knew of it?

Mr. LESSLER. No; I did not.

Mr. BUTLER. You heard of Mr. Obermeier having been taken to Mr. Quigg?

Mr. LESSLER. I did not know of that except as Obermeier testified until he came here in January, and we were walking up Fifteenth street and he mentioned that he had gone to Quigg and I told him to "Quit, quit." The interview as he tells it is correct.

Mr. BUTLER. Then Mr. Obermeier and you up to that time, including you and Mr. Doblin—for as I understood, you also spoke to Mr. Obermeier about this corrupt proposition generally?

Mr. LESSLER. Your first question, Mr. Butler, was as to the specific day when Doblin came to me. Now, my answer to you was that I talked about Obermeier's visit to Quigg when Obermeier was in Washington some time in January. Now, you will have to repeat that question so I will get it clearly.

Mr. BUTLER. Yes; first you and Doblin knew of this proposition.

Mr. LESSLER. Yes.

Mr. BUTLER. You then mentioned it to Mr. Obermeier, did you?

Mr. LESSLER. I am not certain, Mr. Butler, that I mentioned it to——

Mr. BUTLER. Very well. I remember your testimony as you have given it, Mr. Lessler. The next time you spoke of it you spoke to three members of this committee?

Mr. LESSLER. That is right.

Mr. BUTLER. Then we have Mr. Doblin, yourself, and three members of the committee as possessing this information, so far as you know?

Mr. LESSLER. Yes.

Mr. BUTLER. You next spoke of it here in a full committee?

Mr. LESSLER. That is right.

Mr. BUTLER. Up to that time we have yourself, Mr. Doblin, the three members of the committee, and the full committee as possessing this information?

Mr. LESSLER. Yes.

Mr. BUTLER. The next time that this information was imparted, so far as you know, was to this subcommittee?

Mr. LESSLER. Yes.

Mr. BUTLER. Do you know whether Doblin ever told anybody?

Mr. LESSLER. Yes; I knew that Doblin had told somebody.

Mr. BUTLER. Do you object to mentioning the name?

Mr. LESSLER. That was the matter that I was going to speak of in executive session, when we get through.

Mr. BUTLER. You have never mentioned it to anyone except to the people you have mentioned in this investigation?

Mr. LESSLER. I don't remember speaking of it to anyone.

Mr. BUTLER. You do not know that Doblin had told it to anyone?

Mr. WHEELER. Yes; he said he does.

Mr. BUTLER. Except the person you speak of. I beg your pardon.

Mr. LESSLER. Yes, sir.

Mr. BUTLER. Will you please explain to me what you meant in this part of your telegram of January 24th, addressed to Mrs. Philip Doblin: "Phil. examined. Substantiates story in every way."

Mr. LESSLER. That telegram was dictated by Doblin over in the station. I wrote it for him. He started writing the telegram and he trembled so that I wrote the telegram at his dictation for Mrs. Doblin. I absolutely wrote the telegram at his dictation at the station of the B. & O.

Mr. BUTLER. Did it excite any suspicion in your mind or make any impression on you that it was rather singular that he should make a statement of that kind to Mrs. Doblin when Mrs. Doblin did not presumably know anything about it?

Mr. LESSLER. Certainly she knew all about it, Mr. Butler.

Mr. BUTLER. She did?

Mr. LESSLER. You must remember he had been here on Wednesday. The paper was full of the thing on Thursday. Friday morning's testimony comes out in New York. Saturday morning he comes here to testify. I thought no more of that than I thought of any proposition looking to his registering at my hotel. He went down from here after he testified and registered there, a thing I never knew, never looked for, until he testified here.

Mr. NICOLL. May I ask a question, Mr. Chairman?

Mr. TATE. Before you do, I would like to know why these telegrams were sent in your name to Mrs. Doblin?

Mr. LESSLER. Simply because I had a frank.

Mr. TATE. It was to save the expense?

Mr. LESSLER. That is all.

Mr. TATE. Another question. Is the other telegram to Doblin the same telegram you exhibited here to the committee, about getting it here?

Mr. LESSLER. What is that?

Mr. TATE. You exhibited certain telegrams to the committee in reference to Doblin's coming here. Are those the same telegrams in here?

Mr. LESSLER. Why, certainly. I think I showed the first telegram I sent to somebody in the committee.

Mr. KITCHIN. There was a telegram read here in the committee from Doblin to you.

Mr. RIXEY. I just want to ask one more question, Mr. Nicoll, before you take the witness. Mr. Lessler, you stated the other day as to what occurred between you and Mr. McCullagh, and what influence he said the people had he was representing here on that occasion.

Mr. LESSLER. I gave you literally what the man said.

Mr. RIXEY. I want to know, have you any reason to believe that he or they contributed to your defeat?

Mr. LESSLER. Oh, no; absolutely. I had no more chance of being elected than if I had—I had no chance of being reelected.

Mr. VANDIVER. Did they take any interest in your nomination, for or against?

Mr. LESSLER. Not that I know of, in any way. The situation changed very considerably down in my district as to any question involving my chance of reelection. I had no chance against the man who was successful in that election.

Mr. RIXEY. Is it or not the fact that Mr. McCullagh, by virtue of his position, could exert a very large influence in determining the election?

Mr. LESSLER. Why, he has control of the election machinery.

Mr. VANDIVER. For influencing voters or for counting the results? Which do you mean?

Mr. LESSLER. Well, he has this influence: He has this in charge; he has charge of the 800 or 900 deputies that oversee elections being fairly performed. For instance, a certain number of men are registered in a district. He goes out and finds out if they are bona fide residents of the district. He is a man that investigates attempts at fraud on electorates or during the electorate. I don't believe he had any influence in the nominating convention at all. I know that he has no influence.

Mr. VANDIVER. You have just stated also that he had nothing to do with the result of the election. That is the reason why I asked the question.

Mr. LESSLER. Oh; he had nothing to do with the result of that election, at all—absolutely.

Mr. ROBERTS. Just on the point of McCullagh's relations to the elections in New York. Under the New York law, can anyone of his deputies go in behind the rail, as we term it?

Mr. LESSLER. Oh, yes.

Mr. ROBERTS. He counts the ballots?

Mr. LESSLER. Oh, no.

Mr. ROBERTS. Do any of his deputies have any duties in connection with the making up or signing returns, counting ballots?

Mr. LESSLER. No; they sign a return, Mr. Roberts, but they have nothing to do with the counting.

Mr. ROBERTS. They do not count or handle the returns or anything of that sort?

Mr. LESSLER. Not at all.

Mr. ROBERTS. So they can not influence an election from that end?

Mr. LESSLER. Not at all—not the slightest.

Mr. RIXEY. It is your idea that by virtue of his position and the power he exercises at these elections, he has the power to contribute to the defeat or success of a candidate, very largely?

Mr. LESSLER. I will answer you exactly and specifically on that. There are certain portions of our city where it is alleged there are a great number of fraudulent voters. An efficient superintendent of elections will, for instance, in the lodging-house districts, where a great number of men come into the city for purposes of election, ferret these men out and prevent them from voting. That is the only way he can contribute or fail to contribute to the success or support of an election.

Mr. MUDD. Is your district one of those?

Mr. LESSLER. Yes; my district is, more than anything, the whole thing in that line.

Mr. RIXEY. It depends entirely on how he exercises his power whether he contributes to the defeat or the success of a candidate then?

Mr. LESSLER. Yes; I would illustrate it this way, that when I was first elected, in January a year ago, to a great extent, having only this one district under his surveillance, his energy, his faithfulness, contributed materially to my election. He caught a great number—he caught some men in the act of repeating. I knew of that.

Mr. VANDIVER. I understood you to mean by that that he contributed to it by preventing fraudulent votes.

Mr. LESSLER. That is right.

Mr. RIXEY. In a district where they have a great many people who are not acquainted with our election laws and who are perhaps ignorant, that very power, the fear of being arrested and charged with illegal voting, might keep a great many honest people from the polls, might it not?

Mr. LESSLER. There is a matter for opinion, and you and I have simply individual opinions about.

Mr. MUDD. I just want to ask you one more question: Is there any suggestion that Mr. McCullagh did not do his full duty the time you last ran?

Mr. LESSLER. No; not a suggestion.

Mr. MUDD. The idea has been thrown out that he did not prosecute frauds.

Mr. LESSLER. Oh, no; he was more than efficient in the last election. We were landslided without redemption.

Mr. MUDD. You do not think he could have saved you the last time?

Mr. LESSLER. There is not a suggestion, Mr. Mudd, that Mr. McCullagh did not do his full duty at the last election.

Mr. MUDD. I am sure you did not mean to make that inference?

Mr. NICOLL. I would like to ask you a few questions. Of course, you understand there are so many questions asked you around here that I do not know whether I am repeating a question or not, always.

Mr. LESSLER. That is all right.

Mr. NICOLL. But you will know that I do not do it for the sake of vain repetition.

Mr. LESSLER. Certainly not. Go ahead.

Mr. NICOLL. If my comprehension is correct, you did not mention, at this statement to the full committee on Teusday a week ago, the names of anybody connected with this transaction?

Mr. LESSLER. Not a word.

Mr. NICOLL. That is correct?

Mr. LESSLER. You mean on Tuesday, I believe?

Mr. NICOLL. It was Tuesday, I think.

Mr. LESSLER. Yes. Not a word.

Mr. NICOLL. I mean you did not mention Mr. Doblin's name or Mr. Quigg's name?

Mr. LESSLER. Not a word.

Mr. NICOLL. All you stated was that there had been an approach made to you?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. Was a subcommittee immediately made at that time?

Mr. LESSLER. Yes, sir. The minutes will show that.

Mr. NICOLL. Yes. I have not seen the minutes or I would not ask you. What time in the afternoon was it that you went before the subcommittee; about so far as you recollect?

Mr. LESSLER. I think somewhere about 1 or 2 o'clock; I am not certain.

Mr. NICOLL. In the early afternoon of Tuesday.

Mr. LESSLER. Yes, sir.

Mr. NICOLL. Did you then, for the first time, mention to the subcommittee the names of Doblin and Quigg?

Mr. LESSLER. I have told the story as I have told it here, Mr. Nicoll, absolutely without any deviation, as I have stated it here.

Mr. NICOLL. Just as you told it here on your first day's examination?

Mr. LESSLER. Yes, sir; that is right.

Mr. NICOLL. Yes. And were you then asked by the subcommittee to send f r Doblin? That is right. And you did.

Mr. LESSLER. I did, yes, sir.

Mr. NICOLL. Now, during that period, it was your belief, was it not, that there was not going to be any public disclosure of this entire matter?

Mr. LESSLER. Yes, that is right, Mr. Nicoll.

Mr. NICOLL. That was right?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. Then you did not think, when you made the statement to the full committee or to the subcommittee, there was going to be any public disclosure of the whole matter, did you?

Mr. LESSLER. When I made the statement to the full committee, I certainly did not think so.

Mr. NICOLL. Did you after you made the statement to the full committee?

Mr. LESSLER. When I thought there was to be a public disclosure—when I made the statement to the subcommittee, I did not know. I knew that was a matter more fully in the hands of the entire committee then.

Mr. NICOLL. What I want to know is your state of mind and belief on the last Tuesday afternoon, after you had made this statement to the subcommittee, as to whether or not you thought that you were then embarked on a public investigation or whether you thought then that the matter was going to be confined to the subcommittee and the full committee?

Mr. LESSLER. At the time I made the statement?

Mr. NICOLL. Yes.

Mr. LESSLER. Yes, sir. I remember I thought that evening, or better, after Doblin had testified, that the committee would simply look into this matter, and that there would not be a public investigation.

Mr. NICOLL. And that was on Wednesday afternoon?

Mr. LESSLER. That is right.

Mr. NICOLL. That is Wednesday afternoon?

Mr. LESSLER. That is right.

Mr. NICOLL. That is Wednesday afternoon?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. Now, what engendered that belief in your mind?

Mr. LESSLER. Well, I had talked over with several members of the committee this business and told them that I would like to have it stopped right there and then.

Mr. NICOLL. That was on Wednesday afternoon?

Mr. LESSLER. Either Wednesday or Thursday—Thursday morning.

Mr. NICOLL. Either Wednesday afternoon or Thursday morning?

Mr. LESSLER. Both times.

Mr. NICOLL. Both times?

Mr. LESSLER. I had met various members of the committee; Mr. Nicoll, who wanted to talk over things about this.

Mr. NICOLL. And you stated to them that you would like to have it stopped right then and there?

Mr. LESSLER. That is right; so far as my personal inclinations went, that is so.

Mr. NICOLL. Now, is it not a fact that when Mr. Doblin arrived here on Wednesday morning you entertained the belief that there would not be any public investigation of this matter?

Mr. LESSLER. No; I did not when Mr. Doblin arrived.

Mr. NICOLL. Not when he arrived?

Mr. LESSLER. You heard——

Mr. NICOLL. Yes.

Mr. LESSLER (continuing). Mr. Nicoll, I have just stated to you that when Mr. Doblin arrived I did not have any belief on that subject.

Mr. NICOLL. So that up to 11 o'clock that day you did not know what was going to happen?

Mr. LESSLER. I did not know what was going to happen.

Mr. NICOLL. But later in the day, and after Mr. Doblin arrived, you did entertain the belief that the thing would be then confined.

Mr. LESSLER. I said not that I entertained the belief, but I expressed the desire.

Mr. NICOLL. You expressed the desire?

Mr. LESSLER. Oh, yes; I expressed that desire.

Mr. NICOLL. Now, I understood you to say that during this conversation with Mr. Doblin——

Mr. LESSLER. When?

Mr. NICOLL. While you were dressing you said to Mr. Doblin something to the effect that you were going to see the Speaker.

Mr. LESSLER. That is right, and I did, Mr. Nicoll.

Mr. NICOLL. He testifies here on his examination of yesterday that you got up and went out and said you were going to see the Speaker.

Mr. LESSLER. The Speaker was not up yet, Mr. Nicoll. The Speaker did not get up until late that morning. I am on the same floor with him.

Mr. NICOLL. At the Normandie?

Mr. LESSLER. Yes, sir; and he was not in his office then and we went to breakfast, and we were talking——

Mr. NICOLL. What were you going to see the Speaker for?

Mr. LESSLER. Just as I have told you.

Mr. NICOLL. Tell me again.

Mr. LESSLER. Just to tell him about the proposition, the way it had gone, and that I would like it not to go any further, if possible.

Mr. NICOLL. Did you not go to see the Speaker because Mr. Doblin had said to you that this was a terrible situation in which to place him?

Mr. LESSLER. Yes.

Mr. NICOLL. Yes?

Mr. LESSLER. That was one of the causes. I think that would be the main cause.

Mr. NICOLL. You did not see the Speaker at that time?

Mr. LESSLER. You did not hear my testimony. I did see the Speaker.

Mr. NICOLL. At that time?

Mr. LESSLER. No, sir. I will give you the order of events.

Mr. NICOLL. No. Doblin testified here that you came back and stated that you had seen the Speaker.

Mr. LESSLER. Then Doblin did not tell the truth.

Mr. NICOLL. That is not true?

Mr. LESSLER. No, sir.

Mr. NICOLL. Now, you testified in your—while I was cross-examining Mr. Doblin the other day—you recall when I was cross-examining Mr. Doblin the other day?

Mr. LESSLER. What page is that on?

Mr. NICOLL. Page 49. You interrupted me and said, "I will state that I had promised the committee and said to the committee that I would say absolutely nothing to him."

Mr. LESSLER. That is right, Mr. Nicoll, and I kept my promise.

Mr. NICOLL. You did say a great deal to him.

Mr. LESSLER. That is a matter of your opinion.

Mr. NICOLL. Have you not already testified that you did?

Mr. LESSLER. I told you just what I said to him. If you desire that explained further, I will say this to you, that I said to the committee that I would not attempt to speak to him as to any story that he was to tell to that committee, so that he should come into that room and they could speak with him on this subject.

Mr. NICOLL. Did you not state that you would say absolutely nothing to this man?

Mr. LESSLER. Yes.

Mr. NICOLL. But that you would bring him to the committee fresh and free from any impressions made by any communications made by you?

Mr. LESSLER. Yes; I think I did.

Mr. NICOLL. Do you think you did that?

Mr. LESSLER. Mr. Nicoll, I have said that once.

Mr. NICOLL. In view of what you told the committee this morning?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. Of your conversation at the hotel?

Mr. LESSLER. Yes. I made no attempt to influence him in any way. I told him the errand that I had asked him to come on, and that is how I told him. I told him that I said to the committee that I would not discuss this subject with him, and I did not.

Mr. VANDIVER. Excuse me just a moment. There is one point as to which I am not sure as to whether it has been brought out or not.

Mr. NICOLL. Certainly, Mr. Vandiver.

Mr. VANDIVER. Did you or not dispute the testimony of Doblin as to whether you showed him that morning's newspaper or not? I don't remember whether you did or not.

Mr. LESSLER. Yes, sir; I think I read the paper at the table, and handed the paper over to him, and you can see by the article that all there is in there is to the effect that

I had said to the committee about the $5,000 and the bribe in the morning's paper, which is now a part of the record.

Mr. NICOLL. Mr. Lessler, when you met Mr. Doblin in your room that morning before you were dressed, did he ask you what you had sent him the telegram to come at midnight for?

Mr. LESSLER. No.

Mr. NICOLL. What?

Mr. LESSLER. No.

Mr. NICOLL. You observe that in this telegram that you did not ask him to come and see the committee. You say in your examination of him—in your testimony you say—"Take the midnight train and come to me. Want to see you."

Mr. LESSLER. Mr. Nicoll, that telegram was written right here.

Mr. NICOLL. I don't care where it was written.

Mr. LESSLER. One minute, Mr. Nicoll. That telegram was written right in this room, and if my memory serves me it was shown to some one right here.

Mr. NICOLL. To whom was it shown?

Mr. LESSLER. I don't remember to what gentleman it was shown. I think it was written at the head of the table there.

Mr. NICOLL. To whom was it shown?

Mr. LESSLER. I don't remember to whom it was shown. I think it was written right at the head of the table there.

Mr. NICOLL. To whom was it shown?

Mr. LESSLER. I don't remember to whom it was shown.

Mr. NICOLL. Do you mean to say that you showed the gentleman this telegram after your statement to them that you would say nothing to Doblin before the committee itself had a chance to examine him?

Mr. LESSLER. I showed the telegram—wrote the telegram—in this room, Mr. Nicoll. I don't know whether it was after the statement to the gentleman or before; but I made that statement to the gentleman, and I wrote that telegram.

Mr. NICOLL. Mr. Lessler, why, if you wanted to carry out your promise to the committee to say absolutely nothing to Doblin, did you send him a telegram saying, "Take the midnight train. Come to me. Want to see you?"

Mr. LESSLER. There was no particular motive in anything there, in sending that telegram.

Mr. NICOLL. Yes.

Mr. TATE. Would it interrupt you for me to ask the witness a question right there, Mr. Nicoll?

Mr. NICOLL. No, sir.

Mr. TATE. That is the telegram that you sent at the request of the committee?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. You did not see Mr. Doblin, as I understand it, that day after he made his statement?

Mr. LESSLER. You are correct.

Mr. NICOLL. I am correct about that?

Mr. LESSLER. Yes, sir; absolutely correct.

Mr. NICOLL. Did you not send a telegram to him that night?

Mr. LESSLER. I sent whatever telegrams are there. They are there; you have them there.

Mr. NICOLL. No; I have not. Mr. Doblin testified that there is a telegram which he had at home in which you used the words, "The statement is all right. Have no fear."

Mr. LESSLER. I did not send a telegram that night, because I did not see Mr. Doblin again, and I certainly sent no telegram. The chronological order of that event was that Doblin came down on Wednesday and was heard by the subcommittee, went to the station and went home, and I never saw him again until he came down on Saturday morning.

Mr. NICOLL. And you sent him no telegram that afternoon or night, to his house in New York, in which, speaking of the statements he had made before the subcommittee, you said: "Statement all right; have no fear," or words to that effect?

Mr. LESSLER. I don't remember any other telegram, Mr. Nicoll.

Mr. NICOLL. When did you learn of his statement that day to the subcommittee?

Mr. LESSLER. Right after the committee got through with him, five or ten minutes afterwards.

Mr. NICOLL. Yes.

Mr. LESSLER (continuing). A gentleman called me in and I think Mr. Wheeler spoke to me first, and we then talked of the whole subject.

Mr. NICOLL. Yes. Then the statement in his testimony to the effect that you did send him a telegram that afternoon or night, in which you said that his statement to the subcommittee was all right, and "have no fear," is not correct, is it?

Mr. LESSLER. On what page is that?

Mr. NICOLL. Page 95, about two-thirds of the way down.

Mr. LESSLER (after examining record). I do not remember sending him another telegram than those which are here. I do not remember sending him another telegram. I certainly would tell you of it if I did.

Mr. NICOLL. Are you unable to answer that question, as to whether that is a correct statement on his part?

Mr. LESSLER. I don't know whether I sent him a telegram, Mr. Nicoll. The committee spoke to me about him, and what he had said. I do not remember a telegram.

Mr. NICOLL. Yes. Now it was on Wednesday afternoon a week ago to-morrow that you entertained the belief, after talking with the members of the general committee, that there would not be any further investigation of the subject, was it not?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. What?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. And when you had arrived at that state of mind, did you not then send him the telegram, believing that there would be no further investigation of the subject, "Statement all right; have no fear?"

Mr. LESSLER. I don't remember the telegram—I don't remember a telegram other than the telegram he has shown here.

Mr. NICOLL. Mr. Lessler, on that afternoon did you not offer to withdraw these charges?

Mr. LESSLER. I did not.

Mr. NICOLL. You did not say to the committee that you were perfectly willing to withdraw the charges if——

Mr. LESSLER. I said to Mr. Rogers of the committee in Statuary Hall——

Mr. NICOLL. To Mr. Roberts?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. To anyone else?

Mr. LESSLER. And I said to the subcommittee that I would if they desired——

Mr. NICOLL. Yes.

Mr. LESSLER (continuing). Sign a statement that I had no direct connection at any time with the Holland Torpedo Boat Company. That was the extent of anything I said I would ever sign, Mr. Nicoll. That I said to Mr. Roberts.

Mr. NICOLL. Didn't you say to the subcommittee this, that you were anxious to withdraw the whole matter, and would withdraw it if the committee would not go on with it any further?

Mr. LESSLER. I think I have stated to you absolutely——

Mr. NICOLL. Didn't you say that?

Mr. LESSLER. One minute, Mr. Nicoll. I think I have absolutely stated what in substance I said to the subcommittee. I said to the subcommittee, and I repeat it to you again, that I met Mr. Roberts in Statuary Hall, and I said to him as he was the one most interested among us in the proposition affected here, that I would sign a statement; and Mr. Roberts the next morning brought a letter to me addressed to the Holland Torpedo Boat Company.

Mr. WHEELER. Who wrote that letter?

Mr. LESSLER. I do not know.

Mr. DAYTON. Mr. Roberts brought that to you?

Mr. LESSLER. Yes, sir.

Mr. DAYTON. A member of this committee?

Mr. LESSLER. Yes, sir.

Mr. WHEELER. Have you got it?

Mr. LESSLER. No, sir; I gave it right back, and said I would not sign any such letter.

Mr. NICOLL. You handed it back, and said that you would not sign any such letter? Was it written on the Holland Torpedo Boat Company paper, or on Congressional paper?

Mr. LESSLER. No, sir; it was written on a plain sheet of paper. I did not read the letter.

Mr. NICOLL. Did he propose to take that to the Holland Torpedo Boat Company?

Mr. LESSLER. I said to him in Statuary Hall that I would not have anything to do with the Holland Torpedo Boat Company in any form or shape, and when he brought me the letter I declined to sign it when I saw "Holland Torpedo Boat" on it, and that is all there was to it.

Mr. NICOLL. Did you read it?

Mr. LESSLER. No, sir. I just saw the words "Holland Torpedo Boat Company" and "gentlemen," and I did not even read it.

Mr. RIXEY. How do you say it was addressed?

Mr. LESSLER. "Holland Torpedo Boat Company: Gentlemen."

Mr. NICOLL. Was that statement to Mr. Roberts, of this committee, voluntary on your part?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. Entirely voluntary?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. You met him in Statuary Hall and offered to make that statement, did you?

Mr. LESSLER. Yes, sir.

Mr. NICOLL. And was it before or after that that you saw the Speaker?

Mr. LESSLER. Mr. Nicoll, I have told you exactly when I saw the Speaker, on Wednesday morning, and this occurred afterwards. All these things were subsequent to Wednesday morning.

Mr. NICOLL. What was the date of the time when you said to Mr. Roberts that you would sign such a statement? What was the date; was it Wednesday?

Mr. LESSLER. A little later than that, on Wednesday.

Mr. NICOLL. Do you mean to say Wednesday at noon, or Wednesday at midday?

Mr. LESSLER. Yes, sir; somewhere around there.

(It was moved and seconded that the committee should go into executive session.)

Mr. VANDIVER. Mr. Chairman, it occurs to me——

Mr. KITCHIN. Have you any other witnesses?

Mr. LESSLER. No, sir; I have no other witnesses.

Mr. VANDIVER. It occurred to me that we ought to go into one or two other questions publicly. We have gotten into considerable trouble, about business which occurred, several times before, because we have had no stenographer, and I for one have been in favor of concluding this investigation publicly. I think the end can be accomplished, and the nature of the charges here require public information and public comment, and I am prepared to say what I have to say publicly.

Mr. WHEELER. The question is on the vote.

The CHAIRMAN. Yes; on the vote that we go into executive session.

(The motion was carried, and the committee went into executive session.)

After interval, the committee went again into public session, and the stenographer was recalled.

The CHAIRMAN. Mr. Roberts.

Mr. ROBERTS. Mr. Lessler, in his testimony just given, referred to an interview or a meeting held with me. The interview was of his own seeking. He gave a portion of the conversation that took place, and I think many members of the committee drew the wrong inference from the actual condition of affairs that existed.

Now, I want to say that I have no wish to make any statement voluntarily that will reflect on any member of the committee in any way, shape, or manner in these proceedings here, but if any member of this committee thinks there was anything improper on my part, during the course of that interview, or anything that followed it, I am perfectly willing to answer any or all questions that he wishes to ask.

The CHAIRMAN. Are there any questions, gentlemen?

Mr. WHEELER. I move that we go into executive session.

Mr. VANDIVER. I would like to ask a question, Mr. Chairman. I do not desire to force the inquiry——

The CHAIRMAN. Mr. Wheeler moves that we go into executive session. Are you ready for the question?

Mr. VANDIVER. I do not think it is proper to cut me off in that way.

Mr. WHEELER. If he wants to ask further questions, let him do so.

Mr. VANDIVER. I am going to ask him further as to how that interview came about and what led to it? I do not desire to press the question, if it is not desired by the members of the committee.

Mr. WHEELER. I think we ought not to go into that matter.

Mr. BUTLER. If you desire, answer the question.

Mr. VANDIVER. I will withdraw the question, if it is desired.

The CHAIRMAN. Mr. Wheeler moves that we go into executive session. All those——

Mr. VANDIVER. I want to say again on that question that I do not see any necessity for confining the whole business within the committee. It is a matter of public record that serious charges have been made here and that we are investigating them. I never have believed in star-chamber business. I believe in open investigation, in open court. I do not see any reason why we can not settle this whole business, vote on it, call the roll, and put every member on record.

Mr. WHEELER. Did you ever hear of a judge thinking aloud when he is making up his opinion?

(Informal discussion followed.)

Mr. BUTLER. May I be recognized for a minute, Mr. Chairman?

The CHAIRMAN. Yes; certainly.

Mr. BUTLER. Now, if there is any member of this committee or anyone else present desiring to make a statement bearing on this accusation made, let him make it, and make it publicly.

The CHAIRMAN. Let us go into executive session.

Mr. VANDIVER. Am I to understand that we are to go on with the consideration of this matter?

Mr. ROBERTS. It seems to me that if we are to close the hearing we had better close it.

(Further informal discussion followed, at the conclusion of which the committee went into executive session.)

At the conclusion of the executive session, the committee again went into open session and the stenographer was recalled.

TESTIMONY OF HARRY SCHREIER

HARRY SCHREIER sworn and examined

The CHAIRMAN. As this witness was presented here by Mr. Lessler, is there any objection to Mr. Lessler examining him?

Mr. KITCHIN. No, this witness is brought here by the committee.

Mr. ROBERTS. The chairman has the power to say who shall examine him.

Mr. MUDD. Did you subpœna him?

The CHAIRMAN. No, we did not.

Mr. MUDD. He is a voluntary witness?

The CHAIRMAN. Mr. Lessler brought him here, but of course he is here subject to the committee, now that he is here.

Mr. MUDD. He is subject to the committee and should be interrogated by the chairman of the committee.

The CHAIRMAN. State your name.

Mr. SCHREIER. Harry Schreier.

The CHAIRMAN. Where do you live?

Mr. SCHREIER. New York City.

The CHAIRMAN. How long have you been a resident of New York City?

Mr. SCHREIER. About forty years.

The CHAIRMAN. You are acquainted with Mr. Lessler?

Mr. SCHREIER. Yes, sir.

The CHAIRMAN. How long have you known him?

Mr. SCHREIER. Ever since he was born.

The CHAIRMAN. Are you any relation of his?

Mr. SCHREIER. I am his uncle.

The CHAIRMAN. Do you know anything about the matter of this investigation?

Mr. SCHREIER. I do.

The CHAIRMAN. Well, state it in your own way.

Mr. SCHREIER. It was between Christmas and New Year's holidays that Mr. Lessler called at my office and took lunch with me.

The CHAIRMAN. Where is your office.

Mr. SCHREIER. At 503 Broadway, New York.

The CHAIRMAN. What is your business, may I ask?

Mr. SCHREIER. I am credit man in a large importing house.

The CHAIRMAN. Well, proceed.

Mr. SCHREIER. During the time that Mr. Lessler waited for me, Mr. Doblin came in and I invited him to go along with us to lunch.

Mr. ROBERTS. You mean Philip Doblin?

Mr. SCHREIER. Philip Doblin. We went to lunch and after we got through and were smoking cigars, Mr. Lessler turned around to Doblin and said, "Now, see here, Doblin, this is my uncle, from whom I do not have any secrets, and I want you to repeat the conversation that you related to me, which you had with Mr. Quigg." Thereupon, Doblin said, "I went down to the office of Quigg to see whether I could not get my appointment as a McCullagh deputy prolonged or continued, and while I was there Mr. Quigg said to me, 'By the way, you know Lessler, don't you?'" Doblin said yes. He said, "Do you know him very well?" Doblin said, "I know him as well as anybody does." "Well," he says, Mr. Quigg asked him, "How close are you to him?" "Well," he says, "I am right next to him." That was the very expression he used. So then

Mr. Quigg said to him, "Now, I understand Mr. Lessler is opposed to, and has expressed his opposition to a certain measure that is before the House, known as the Holland submarine torpedo boat," or something of that kind, and he says to him, "Now, I have got some friends who are interested in that boat, and I wish you would help me to get Lessler's vote in support of that measure. I want you to see him, and there is $5,000 in it for him provided we can get his vote."

Well, my nephew turned around to me—Mr. Lessler turned around to me, and he says: "What do you think of that, uncle?" I said "I think it is an outrageous proposition, and if you will take my advice, you will have nothing to do with this man Quigg. and above all things don't have any interviews with him." That was all I know.

The CHAIRMAN. This was the conversation that Doblin had with you, as I understand it.

Mr. SCHREIER. That is right; at the dinner table.

The CHAIRMAN. Was there anybody else present?

Mr. SCHREIER. Lessler, Doblin, and myself.

The CHAIRMAN. That is all?

Mr. SCHREIER. That is all.

Mr. VANDIVER. At what time was that conversation?

Mr. SCHREIER. Well it was the end of December, between Christmas and New Year's.

The CHAIRMAN. Where was this luncheon taken?

Mr. SCHREIER. At the corner of Broadway and Houghton streets, in a place called Hulse restaurant.

The CHAIRMAN. A large restaurant?

Mr. SCHREIER. Pretty large.

Mr. VANDIVER. What time was it?

Mr. SCHREIER. Around near 1 o'clock.

Mr. VANDIVER. Were there many in there?

Mr. SCHREIER. Not very many.

Mr. VANDIVER. There were people around at all the tables, were there not?

Mr. SCHREIER. No, sir; not at the time the conversation took place. At that time it had begun to thin out. I got my dinner late.

Mr. VANDIVER. Do you call that late?

Mr. SCHREIER. I said between 1 and 2.

Mr. VANDIVER. Is not that the general lunching hour in New York?

Mr. SCHREIER. No.

Mr. VANDIVER. It is not?

Mr. SCHREIER. It is not particularly.

Mr. VANDIVER. Is this a prominent place?

Mr. SCHREIER. It is quite a well-known place.

Mr. VANDIVER. There were about as many in there that day as usual?

Mr. SCHREIER. I couldn't say. Probably.

Mr. VANDIVER. And this was a discussion right at the dining table in a public restaurant?

Mr. SCHREIER. Yes, sir; it was.

The CHAIRMAN. Are there any further questions, gentlemen?

Mr. ROBERTS. Can you fix any more definitely the day when this took place?

Mr. SCHREIER. I think it was either the Friday or Saturday right after Christmas; either Friday or Saturday.

Mr. ROBERTS. It was not before Christmas?

Mr. SCHREIER. No, sir.

Mr. ROBERTS. Do you remember the day of the week?

Mr. SCHREIER. Either Friday or Saturday, between Christmas and New Years.

Mr. ROBERTS. Now, did Mr. Lessler say anything to you at that time about his having already seen Mr. Quigg?

Mr. SCHREIER. No.

Mr. ROBERTS. He did not indicate——

Mr. VANDIVER. I can not quite hear——

Mr. ROBERTS. I asked if Mr. Lessler said anything to you at any time about his having seen Mr. Quigg.

Mr. SCHREIER. He had not seen him.

Mr. ROBERTS. He told you he had not seen Mr. Quigg?

Mr. SCHREIER. Yes, sir.

Mr. NICOLL. When did you arrive?

Mr. SCHREIER. I arrived this morning.

Mr. NICOLL. Did you go to see Mr. Lessler when you arrived?

Mr. SCHREIER. I did.

Mr. NICOLL. Where?
Mr. SCHREIER. At the Normandie Hotel.
Mr. NICOLL. Well, did you have a talk with him about what you had come for?
Mr. SCHREIER. Certainly.
Mr. NICOLL. Did you talk the matter over with him?
Mr. SCHREIER. Not in regard to the evidence; only in a general way.
Mr. NICOLL. You said nothing as to your testimony here to-day?
Mr. SCHREIER. No, sir.
Mr. NICOLL. Not a word?
Mr. SCHREIER. Nothing about what I was to testify to.
Mr. NICOLL. Did he not tell you that you had come here to state that Doblin had made a statement of this sort to you?
Mr. SCHREIER. No, sir; he asked me if I remembered the conversation, and I told him yes, and he said: "Now, that is all I want to know."
Mr. NICOLL. How long had you known Doblin?
Mr. SCHREIER. I have known Doblin about a year.
Mr. NICOLL. Who introduced him to you?
Mr. SCHREIER. Mr. Lessler.
Mr. NICOLL. Have you ever had any business with him?
Mr. SCHREIER. None.
Mr. NICOLL. None at all?
Mr. SCHREIER. None.
Mr. NICOLL. Have you any interest in any matter with him at all.
Mr. SCHREIER. None.
Mr. NICOLL. What?
Mr. SCHREIER. No, sir.
Mr. NICOLL. Have you any interest in a substance called Guttanova?
Mr. SCHREIER. What is that?
Mr. NICOLL. Guttanova?
Mr. SCHREIER. I don't hear your question.
Mr. NICOLL. Have you any interest in a substance called Guttanova?
Mr. SCHREIER. No, sir; I have heard of it.
Mr. NICOLL. You never heard of it at all?
Mr. SCHREIER. I have heard of the substance.
Mr. NICOLL. Have you any knowledge concerning or interest in it?
Mr. SCHREIER None whatever.
Mr. NICOLL. And you are not interested in it?
Mr. SCHREIER. Not at all.
Mr. NICOLL. What is the substance?
Mr. SCHREIER. I believe it is an electrical compound for insulating electric wires.
Mr. NICOLL. As a matter of fact, do you not know that Mr. Doblin was employed by your friends to present that matter to the fire department of New York, a new material for insulating wires?
Mr. SCHREIER. He was at one time.
Mr. NICOLL. He was.
Mr. SCHREIER. Yes, sir
Mr. NICOLL. How do you know that?
Mr. SCHREIER. Because he told me so.
Mr. NICOLL. He told you?
Mr. SCHREIER. Yes, sir.
Mr. NICOLL. Was not this meeting that you had here on this particular day——
Mr. DAYTON Pardon me, but has that anything to do with this or with this matter; I can not understand the connection?
Mr. NICOLL. It is leading up to it.
Mr. DAYTON. Go on if there is any connection.
Mr. NICOLL. Was not this meeting that you had there this day for the purpose of talking over this subject?
Mr. SCHREIER. No, sir.
Mr. NICOLL. It had nothing to do with it?
Mr. SCHREIER. Nothing, sir.
Mr. NICOLL. What was Mr. Doblin doing up there at 503 Broadway?
Mr. SCHREIER. Mr. Doblin can answer that; I can not. He may have come to see me.
Mr. NICOLL. He did come to see you?
Mr. SCHREIER. Yes, sir.
Mr. NICOLL. Did he come to your office?
Mr. SCHREIER. Yes, sir.

Mr. NICOLL. Alone?
Mr. SCHREIER. Yes, sir.
Mr. NICOLL. Did you know what he had come for?
Mr. SCHREIER. No, sir.
Mr. NICOLL. Had he come before?
Mr. SCHREIER. Yes, sir.
Mr. NICOLL. Had he no business with you?
Mr. SCHREIER. No, sir.
Mr. NICOLL. And he came to your office without having any business with you?
Mr. SCHREIER. Yes, sir.
Mr. NICOLL. He had come before?
Mr. SCHREIER. Yes, sir.
Mr. NICOLL. How many times?
Mr. SCHREIER. Two or three times.
Mr. NICOLL. And called on you?
Mr. SCHREIER. Yes, sir.
Mr. NICOLL. In your office?
Mr. SCHREIER. In my office.
Mr. NICOLL. Did he come just in a social way?
Mr. SCHREIER. Social call.
Mr. NICOLL. That is it?
Mr. SCHREIER. Yes, sir.
Mr. NICOLL. He came in that day for a social call.
Mr. SCHREIER. I could not say the object of his visit.
Mr. NICOLL. Did he come in before Mr. Lessler did?
Mr. SCHREIER. He came in afterwards.
Mr. NICOLL. And then all went to Hulse's together?
Mr. SCHREIER. We went to Hulse's; yes, sir.
Mr. NICOLL. Where did you sit in Hulse's?
Mr. SCHREIER. We sat at a table two or three rows from the front of the place.
Mr. NICOLL. You mean Hulse's on Broadway?
Mr. SCHREIER. On Broadway; yes, sir.
Mr. NICOLL. Between what streets?
Mr. SCHREIER. At the corner of Houghton and Broadway.
Mr. NICOLL. You sat three rows back from the Broadway entrance?
Mr. SCHREIER. Yes, sir; from the front entrance.
Mr. NICOLL. Now, is it not a matter of fact that whatever conversation you had with Lessler on that day about this matter you had when Doblin had left the table?
Mr. SCHREIER. Doblin had not left the table; he was there at the table continually with us, and had not left, or did not leave, until we all left.
Mr. NICOLL. And did you advise your nephew under no circumstances to see Quigg; is that so?
Mr. SCHREIER. That is right.
Mr. NICOLL. Did you also advise him under no circumstances to have anything more to do with Doblin?
Mr. SCHREIER. No, sir.
Mr. NICOLL. Did you not?
Mr. SCHREIER. No.
Mr. NICOLL. He gave you no advice on that point?
Mr. SCHREIER. No, sir. He knew him longer and better than I did, I suppose.
Mr. NICOLL. Was anything said about $50,000 on that day?
Mr. SCHREIER. No, sir.
Mr. NICOLL. Not a word on that subject?
Mr. SCHREIER. No, sir.
The CHAIRMAN. Are there any further questions?
Mr. NICOLL. No; that is all.
Mr. KITCHIN. I want to ask the witness one question. Did you say Mr. Lessler joined in this conversation at the table?
Mr. SCHREIER. He did not.
Mr. KITCHIN. But he was present all the time?
Mr. SCHREIER. All the time.
Mr. KITCHIN. And heard it, did he?
Mr. SCHREIER. Yes, sir; and heard it all.
Mr. KITCHIN. Did you not say that you requested Doblin to repeat the story?
Mr. SCHREIER. He requested me to detail the story.
Mr. KITCHIN. And he did repeat the story?
Mr. SCHREIER. Yes, sir.

Mr. KITCHIN. Did he say anything to Lessler about it?

Mr. SCHREIER. Only what I have said.

Mr. KITCHIN. Did you not say that Mr. Lessler asked him "What would you do about that, Uncle?"

Mr. SCHREIER. No, sir; "What do you think of it?"

Mr. KITCHIN. "What do you think of it, Uncle?"

Mr. SCHREIER. Yes, sir.

Mr. KITCHIN. And then he did join in it?

Mr. SCHREIER. Not until it was ended.

Mr. KITCHIN. That is, he did not pretend to tell Doblin what to say?

Mr. SCHREIER. No, sir.

Mr. KITCHIN. But you did talk over it afterwards?

Mr. SCHREIER. Just those few words.

Mr. KITCHIN. Then, if there has been any statement that Mr. Lessler did not talk about it to any others than the members of this committee, that would not be correct, would it, because he did talk about it to you?

Mr. SCHREIER. Just those words.

Mr. KITCHIN. Yes, that is all.

(Witness excused.)

Mr. QUIGG. I should like to have the telegram I sent to the chairman of the committee. As soon as I saw anything in the newspapers relating to this matter, I sent a telegram to the chairman of the committee, and I should like to put that in evidence. That telegram I requested to have a public hearing.

The CHAIRMAN. It is understood that the telegram which Mr. Quigg sent to me regarding a public inquiry shall go into evidence.

(There was no objection, and the telegram referred to is here inserted in the record, as follows:)

"NEW YORK, *January 22, 1903.*

"Hon. GEORGE E. FOSS,
"*Chairman Naval Affairs Committee,*
"*Washington, D. C.:*

"It is published here that Representative Montague Lessler has in some way connected my name with the alleged attempt to bribe him. If this is not true, please give out official denial. If Lessler says anything of the kind, I respectfully request public inquiry. Of course there is no truth whatever in such a suggestion.

"LEMUEL E. QUIGG."

It was moved and seconded that the committee should adjourn for one hour, and then go into executive session.

Thereupon, at 1.50 o'clock, the committee adjourned for one hour.

The committee reassembled after recess.

The CHAIRMAN. Mr. Nicoll desires to make a statement to the committee.

Mr. NICOLL. I am exceedingly obliged, Mr. Chairman and gentlemen of the committee, for the courteous way in which you have treated me during the course of this investigation and for the privilege which you have accorded me in properly representing my client. It has been suggested by some of the members of the committee that perhaps I might desire to sum up or review the evidence before the committee. That seems to me to be unnecessary, because the members of the committee have been so patient, so interested, and so attentive in the consideration of this subject that it is perfectly clear to my mind they understand it quite as well as I do. Representing Mr. Quigg, I have only this to say: As the record now stands there is no testimony which involves him in this transaction, except the testimony of the witness Doblin, and Doblin stands upon this record as a self-confessed perjurer. His testimony, therefore, is not such as will justify any finding on the part of this committee.

It is true that there are some slight and, to my mind, unimportant contradictions and variations between the testimony of Mr. Lessler and Mr. Quigg; but as I recollect the evidence they are all on points that are immaterial. There is nothing substantial in the discrepancies between the testimony of Mr. Lessler and the testimony of Mr. Quigg upon the essential points of the investigation, for it was frankly admitted by Mr. Lessler, in the course of his testimony, that Mr. Quigg made no improper or corrupt proposal to him. The only testimony which connects him in any way with any improper or corrupt attempt to influence a member of this committee is in the testimony of Doblin, and he is as discredited, an utterly discredited witness. It seems to me, therefore, that Mr. Quigg is entitled to a vindication at the hands of this committee and to a declaration to the effect that he was in no way connected with any attempt to improperly influence the conduct or official action of any member of this committee.

I have therefore summed up my views in this resolution.

Mr. WHEELER. I want to be perfectly courteous; but I question the propriety of counsel suggesting to this committee, by way of resolution, what its own action in a case should be.

Mr. TATE. I do not only question it; but I object to it. We ought to be able to put our views into words, without any suggestion from counsel.

Mr. NICOLL. Gentlemen, do not misunderstand me for a moment. Your chairman, when I showed him the resolution a few moments ago, made the suggestion that the committee were quite competent to express their own conclusions in their own language. But I do not submit this for any such purpose.

Mr. TATE. I object to your submitting anything to us in the way of a resolution. We will take your views and hear your argument, if you desire us to hear you.

Mr. KITCHIN. It certainly seems to me that counsel representing a client before this committee should be allowed to say exactly what he wants the committee to do.

Mr. TATE. But he can not say in so many words what he thinks he is entitled to.

Mr. KITCHIN. I submit that he has got a right to draw a thousand resolutions, and to say to the committee: I want every one of these resolutions adopted.

Mr. NICOLL. Gentlemen, if it is offensive or disagreeable, or is regarded as improper by any member of this committee, I will tear the paper up. We are accustomed in the courts, as the lawyers of the committee all know, to hand up to the judge in writing our findings of fact. The judge takes those different findings and ultimately finds the facts himself. He is never charged with the duty of accepting such a finding, in hœc verba; but the lawyer makes the suggestion to him which he is at liberty to adopt or reject as he sees fit. I am in no sense wedded to the words and sentences of this suggestion. I do not adhere to them in any way. I adhere only to the idea expressed in this paper.

Mr. RIXEY. I would like to hear what Mr. Nicoll suggests.

Mr. WHEELER. You submit to this committee that you think he is entitled to substantially what you have in that resolution?

Mr. NICOLL. Yes.

Mr. WHEELER. In the practice with which I am familiar special findings are not permitted. We do not want this committee to go upon record as approving any isolated fact and let it stand there upon the record.

Mr. NICOLL. You, gentlemen, will acquit me of any charge of trying to run this committee in any way, and I will destroy the resolution if you desire it.

Mr. TATE. No man has got a right to come in here and say: Here is a resolution we want you to adopt. I deny that any man has the right to suggest what action we should take.

Mr. KITCHIN. He has got the right to suggest what action he wants us to take. I never heard of such an objection.

Mr. NICOLL. Well, gentlemen, I am not going to submit it. I will state my own views, if it is more agreeable to the committee. When I came here, at the invitation of the committee, to say a few words on behalf of my client, I certainly did not intend to allow any action of mine to create any dissension in the committee, and I will withdraw it. I will submit to you substantially what it says.

On the evidence as it stands to-day I think that Mr. Quigg is entitled to a resolution by the committee which substantially and in effect shall state that there is nothing in the evidence which justifies the belief that he was connected with an attempt to bribe or improperly influence the action of any member of this committee, and that his relation to the subject was far from any improper purpose or action on his part. In whatever way the committee deem it proper to express that idea will be entirely satisfactory. I am very much obliged to you.

I am very much obliged to you, gentlemen.

Mr. ROBERTS. I understand the committee is now in open session.

The CHAIRMAN. Yes, sir.

Mr. ROBERTS. That being so, I would ask that the stenographer be sent for. I desire to make another statement to the committee which I desire to appear in the record.

The stenographer was sent for by the committee.

Mr. ROBERTS. Mr. Chairman, I have learned during the intermission that a wrong impression has gone out, arising from an incident alluded to by Mr. Lessler in his examination as to the meeting he had with me. I desire now to state fully my recollection of the entire transaction, not with any intent or purpose of injuring Mr. Lessler or of prejudicing him in the minds of the committee, but merely that it shall be in this record, and shall go out to the country just what took place.

It was the forenoon of January 21, which was last Wednesday, that the meeting mentioned by Mr. Lessler took place. I was coming through Statuary Hall, on my way to my committee room, and met Mr. Lessler coming from an opposite direction.

Mr. Lessler spoke to me, and said: "Can't we stop this thing? My God! I can't stand it. It is killing me!" The thing he referred to was the proposed investigation, which we had authorized to be made by the subcommittee. I said to him that the investigation was nothing of my seeking; that I had no benefit to gain by pressing it, and that so far as I, personally, was concerned, I did not care whether it went on or stopped; but that there were other parties besides myself in this matter; that the statement had gone out to the country in the public press that the Holland Submarine Boat Company had attempted to influence his action by the offer of money, and I did not know whether the Holland people would be willing to have the thing smothered; that that phase of the question would have to be considered. Mr. Lessler thereupon volunteered, the suggestion came from him, that he would make any statement regarding the matter that was thought to be fair and reasonable. He said that when he made his first statement in the committee he did not intend to injure the Holland people. I remarked to him that if he did not intend to injure the Holland people the only thing that he could do, as an honest, upright gentleman, was to make some such statement. He said that if I would have one prepared he would sign it. He said further that he would not sign such a statement to be published. I said to him: I do not suppose the Holland people would care to publish any such statement, and that I did not think they would make any use of it whatever unless their interests were jeopardized by the use of his original statement, and then in self-defense they would be obliged to publish any statement that he might make. Upon that understanding he authorized me to make the statement. I then said to him: There is another phase still of the question which I do not think you have considered. When your statement was made in the full committee certain members of the committee who had been opposed to submarine legislation, seized upon the statement and insisted upon an investigation, I said: "I do not believe these gentlemen will stop." Mr. Lessler said to me, I think I can fix them. I think I can arrange that all right. He then went on to make still another statement to me as to what he would do personally, when the Holland submarine torpedo-boat proposition came to a vote in the committee. I then left him. He went his way and I went mine. I had prepared a statement for him to sign. I did not see Mr. Lessler again that day until shortly after the House came in session. I was standing on the floor of the House, at the back of the rail, talking to another Member of the Congress, when Mr. Lessler came along with his overcoat on and with his hat in his hand, and he said to me: That thing I told you could be arranged has been fixed. This was on Wednesday, when the subcommittee, I suppose, was investigating the matter with the idea, upon the following day, of presenting some report to the full committee. The statement that I prepared or rather had prepared for him I submitted to Mr. Lessler in this committee room the next morning. That was the morning when the subcommittee was to report to the full committee. I handed Mr. Lessler the paper which I have in my hand, just a moment or two before the committee came in session, saying to him: "Here is the statement you asked me to have prepared." I will read that statement.

"HOLLAND TORPEDO BOAT COMPANY,
"CORCORAN BUILDING,
"*Washington, D. C., January 21, 1903.*

"DEAR SIRS: In reference to a statement made by me before the Naval Committee of the House on January 20, in which by inference your company was connected with a promise of money for my vote on the question of submarine boats, I desire to say it was never my intention, in any manner, to create the inference that your company or any of its officers or stockholders were connected in the remotest degree, directly or indirectly, with that offer. This offer, I am now satisfied, was made without your knowledge by an irresponsible party.

"I sincerely trust you may not be injured by the publicity given to my statement.

"Very truly, yours,"

I handed the paper to him and he glanced at it. He did not read it. He handed it back to me and said: That is directed to the Holland Torpedo Boat Company and I will not sign it.

Mr. WHEELER. I want to ask you a few questions, if you are through with your statement. When Mr. Lessler first approached you, in Statuary Hall, did you report what he had said to any of the officers or agents of the Holland Torpedo Boat Company?

Mr. ROBERTS. Yes, sir; I did.

Mr. WHEELER. To whom did you tell it?

Mr. ROBERTS. I told it to Mr. Frost.

Mr. WHEELER. To anybody else?

Mr. ROBERTS. No.

Mr. WHEELER. Where did you see Frost?
Mr. ROBERTS. I did not see him.
Mr. WHEELER. Did you communicate with him in writing?
Mr. ROBERTS. No.
Mr. WHEELER. How did you tell him?
Mr. ROBERTS. I telephoned down to him.
Mr. WHEELER. Where did you get him by telephone?
Mr. ROBERTS. At the office of the Holland Torpedo Boat Company, in Washington.
Mr. WHEELER. Did he subsequently see you?
Mr. ROBERTS. I saw him, I think, that evening.
Mr. WHEELER. Where did you see him?
Mr. ROBERTS. I think I saw him at their office.
Mr. WHEELER. Did you go there?
Mr. ROBERTS. Yes; I went there.
Mr. WHEELER. Did you go there of your own volition, or at their invitation?
Mr. ROBERTS. Of my own volition.
Mr. WHEELER. Was that the first time you had ever been there?
Mr. ROBERTS. Oh, no.
Mr. WHEELER. How many times have you been there?
Mr. ROBERTS. I could not tell you
Mr. WHEELER. How many times since this investigation has been pending have you been there?
Mr. ROBERTS. Possibly two or three times.
Mr. WHEELER. Did you go every time of your own volition, or by invitation?
Mr. ROBERTS. Of my own volition.
Mr. WHEELER. When you got around to the office of this company, did you talk with Mr. Frost about this question?
Mr. ROBERTS. I did.
Mr. WHEELER. Who was present at the time you had that conversation?
Mr. ROBERTS. With Mr. Frost?
Mr. WHEELER. Yes, sir.
Mr. ROBERTS. Nobody.
Mr. WHEELER. Who is Mr. Frost?
Mr. ROBERTS. I do not know, except that he is connected with the Holland Torpedo Boat Company in some capacity.
Mr. WHEELER. You do not know in what capacity?
Mr. ROBERTS. No, I do not.
Mr. WHEELER. I he not one of the governing officers?
Mr. ROBERTS. I think so.
Mr. WHEELER. Did you prepare that statement in Mr. Frost's office?
Mr. ROBERTS. No, sir.
Mr. WHEELER. Did you prepare it at all?
Mr. ROBERTS. No, sir.
Mr. WHEELER. Who did prepare it?
Mr. ROBERTS. I do not know.
Mr. WHEELER. How did you get hold of it?
Mr. ROBERTS. It was sent to me at my request?
Mr. WHEELER. Who did you request to send it?
Mr. ROBERTS. I requested Mr. Frost.
Mr. WHEELER. When did you get it?
Mr. ROBERTS. I got it late that afternoon.
Mr. WHEELER. Did you and Mr. Frost talk over the purport of the statement you have read here?
Mr. ROBERTS. No.
Mr. WHEELER. Did you discuss the preparation of this statement?
Mr. ROBERTS. Not at all. Pardon me just a moment. I know what you are getting at, and I will tell you right and save this long series of questions. When Mr. Lessler told me that he was willing to make a statement of retraction, it was not a statement that he could make to me personally because I had no interest in having a retraction from him. It was a statement that could be made only to the Holland Torpedo Boat Company. They were the parties affected by his first statement. I telephoned Mr. Frost that I had met Mr. Lessler and he had expressed a willingness to make a statement substantially retracting——
Mr. WHEELER. I prefer to conduct this cross-examination myself.
Mr. ROBERTS. But I am not a witness.
Mr. WHEELER. Yes, you are. I ask that you be sworn.

Mr. ROBERTS. I am not a witness. When Mr. Lessler said he would make this .etraction, it was a matter that affected the Holland Submarine Torpedo Boat Company and not myself. I telephoned Mr. Frost saying that I had met Mr. Lessler and that he had voluntarily stated to me that he would sign the paper. I said: Mr. Frost, this thing affects the Holland Boat Company, and I want you to prepare a statement that will be satisfactorily to your people, and when it is prepared, send it to me. I will say further——

Mr. WHEELER. Mr. Chairman, I ask the privilege of cross-examining him as a witness.

Mr. ROBERTS. I want to say that I have risen voluntarily to make this statement, and that if you want to call me as a witness I haven't the slightest objection.

Mr. WHEELER. I have no objection to your making your statement; but if you do not propose to give me the right to cross-examine you I want you sworn.

Mr. ROBERTS. I have made my statement and I have no objection to your continuing to ask questions.

Mr. WHEELER. I want the right to cross-examine him. I want him sworn as a witness.

Mr. VANDIVER. I suggest that this is not the proper line of procedure for the committee. If Mr. Lessler has any statement to make I think it will be competent for him as a member of the committee to make it.

Mr. WHEELER. I presume I have the right to have all the testimony on the subject from every source, and unless I have the unquestioned and indisputable right to conduct this cross-examination, as a member of this committee, then I want the gentleman put under oath, so as to give me that right. I do not care about his oath if he concedes my right to cross-examine him.

Mr. ROBERTS. I do not concede any right for you to cross-examine me.

Mr. WHEELER. Then I claim my right. This testimony is to go into the record and I want it to go in as the rest of the testimony has gone in.

Mr. VANDIVER. I shall object to members of the committee being cross-examined here as witnesses unless we are going fully into the subject, and make witnesses out of the other members of the committee, and put questions to everybody.

Mr. WHEELER. I am perfectly willing, gentlemen, to offer myself before this committee as a witness after this gentleman gets through, and with great pleasure I would concede to him the right to cross-examine me with or without being sworn.

Mr. VANDIVER. This is a personal matter.

Mr. WHEELER. I did so regard it at the outset; but this statement is going before the House of Representatives as a part of this testimony, and it will be commented upon and criticised upon the floor of Congress. There are some things I want to know about this statement.

Mr. VANDIVER. I suggest that if we are going into further investigation concerning every witness, there may be a good deal yet to be brought out.

Mr. TATE. If there is, let us have it.

Mr. VANDIVER. I object to this irregular method of procedure.

Mr. WHEELER. I certainly think I should have the right to cross-examine him. I do not want to be impertinent, and I do not want to ask him questions unless I have the right to do so.

Mr. RIXEY. I move that, under the circumstances, Mr. Wheeler be permitted to cross-examine the witness, and for this reason: Mr. Roberts came in before recess and made his statement as a member of the committee. When he comes back afterwards and undertakes to give the details of the conversation with Mr. Lessler, about which Mr. Lessler has testified as a witness, I should think he should be sworn, and that he should have been sworn before he began to give that testimony. He is making a statement at to what Mr. Lessler has stated and to some extent it may vary from Mr. Lessler's testimony. As far as I am concerned I do not desire to ask any questions; but it is perfectly plain to me that if any member of the committee desires to cross-examine him, he has got the right to do so. I think we would be in a bad light before the House if we refused that permission.

The CHAIRMAN. As I understood it, Mr. Roberts desired to make a personal statement.

Mr. ROBERTS. There are several similar personal statements in the record, and no question has been made heretofore about any making such statement.

The CHAIRMAN. Have you any objection to being sworn?

Mr. ROBERTS. Not at all. I'll tell you my only objection, and it is not to being sworn. My objection is not to telling everything and anything that transpired between Mr. Lessler and myself, but I shall certainly object to Mr. Wheeler or any other member of this committee interrogating me on any subject that does not directly relate to the conversation between Mr. Lessler and myself.

Mr. VANDIVER. I desire to ask whether Mr. Lessler wants to make any further statement in reference to that matter. If he desires to do so, I think he should have the opportunity.

Mr. WHEELER. I have got the floor. Mr. Lessler is only a member of this committee and I am not protecting Mr. Lessler. It is a matter of protecting the integrity of this committee and of the House of Representatives. I do not care about any individual member of this committee, or whether Mr. Lessler goes down or goes up in this investigation. We are here to discharge a public duty, I will say to the gentlemen and to Mr. Lessler, regardless of whom it affects.

Mr. VANDIVER. I agree with you in that.

Mr. WHEELER. Then I want the gentleman from Massachusetts sworn. He has made himself a witness, and I want to cross-examine him.

Mr. ROBERTS. Do you call me as a witness?

Mr. WHEELER. I call you as a witness and I want the oath administered to you.

The CHAIRMAN. Have you any objection?

Mr. ROBERTS. Not the slightest.

Mr. Roberts was thereupon sworn by the chairman.

Mr. WHEELER. When you communicated with Mr. Frost by telephone, was that the first time you had communicated with him, after you had heard the disclosure made here by Lessler?

Mr. ROBERTS. No, sir; it was not.

Mr. WHEELER. When did you communicate with him before that time?

Mr. ROBERTS. The day before.

Mr. WHEELER. Immediately after the adjournment of this committee?

Mr. ROBERTS. No.

Mr. WHEELER. How long was it after the adjournment of the committee before you communicated with Frost?

Mr. ROBERTS. I could not tell you.

Mr. WHEELER. Give your best judgment.

Mr. ROBERTS. It was on my way home.

Mr. WHEELER. How did you do it; by telephone or by personal call?

Mr. ROBERTS. I went to his office.

Mr. WHEELER. Did you tell him what Lessler had said?

Mr. ROBERTS. I did.

Mr. WHEELER. Was anybody present at that conversation?

Mr. ROBERTS. No.

Mr. WHEELER. Now, Mr. Roberts, after this statement was prepared you said it was brought to you. Who brought it?

Mr. ROBERTS. I do not know, sir.

Mr. WHEELER. Did you see the man that brought it?

Mr. ROBERTS. No; I did not.

Mr. WHEELER. Where did he deliver it to you?

Mr. ROBERTS. My recollection is I found it in my committee room when I went down there, just before going home.

Mr. WHEELER. What day was that?

Mr ROBERTS. That was the 25th day of January, the day the statement was drawn up.

Mr. WHEELER. What did you do with it when you got it?

Mr. ROBERTS. I put it in my pocket.

Mr. WHEELER. How long was it before you saw Lessler?

Mr. ROBERTS. The next morning.

Mr. WHEELER. After you got it did you see Mr. Frost, or any other officer or attorney of this submarine boat company, until you saw Lessler?

Mr. ROBERTS. No.

Mr. WHEELER. Lessler declined to sign it when you showed it to him?

Mr. ROBERTS. Yes, sir.

Mr. WHEELER. Did you then communicate with Mr. Frost or any other agent or attorney of the company?

Mr. ROBERTS. Yes, sir.

Mr. WHEELER. With whom?

Mr. ROBERTS. With Mr. Frost.

Mr. WHEELER. When?

Mr. ROBERTS. Some time that day.

Mr. WHEELER. During the session of Congress, or before or after?

Mr. ROBERTS. I think it was during the session. I think I telephoned down that Lessler had declined to sign the statement.

Mr. WHEELER. What did he say?

Mr. ROBERTS. He laughed.

Mr. WHEELER. Did you tell him Lessler declined to sign it?

Mr. ROBERTS. No, I did not tell him that, in just those words. I said: It turned out just as I told you it would. I had told him when I telephoned him first to prepare such a statement as to satisfy his company, that I would present it to Mr. Lessler, but I did not believe he would ever sign it.

Mr. WHEELER. Did you tell any member of this committee of the conversation you had with Lessler?

Mr. ROBERTS. Yes, I think I have, but I do not think I can specify who I told.

Mr. WHEELER. You can not indicate now any member of the committee you communicated that to?

Mr. ROBERTS. I think I communicated it to Mr. Rixey.

Mr. WHEELER. Before you did with Frost?

Mr. ROBERTS. I can not state that. I do not know.

Mr. WHEELER. Is it not a fact that you communicated with Frost at once, when Lessler made this statement to you?

Mr. ROBERTS. I think it is. I was on the way to the committee room when I met Mr. Lessler, and I continued to my committee room, and called up Mr. Frost.

Mr. WHEELER. Lessler said to you that he would be willing to sign any sort of a statement that was honorable and fair?

Mr. ROBERTS. Yes.

Mr. WHEELER. That was honorable and fair, if it would stop this matter?

Mr. ROBERTS. Yes.

Mr. WHEELER. Is it not a fact that immediately upon the exposure by Lessler of this corrupt offer there was a perfect howl went up from the press in this country, and was not Lessler referring, in his conversation with you, to the fact that he wanted to escape the public opprobium, condemnation, and criticism that was being hurled at him because of that disclosure?

Mr. ROBERTS. I do not know what actuated Mr. Lessler.

Mr. WHEELER. Is not that the impression that was made on your mind?

Mr. ROBERTS. Not at all. It made a different impression on my mind.

Mr. WHEELER. What impression did it make on you?

Mr. ROBERTS. I had a distinctly different impression on my mind about Mr. Lessler's anxiety to stop the investigation.

Mr. WHEELER. What was the impression, if you have no objection to telling?

Mr. ROBERTS. I have no objection to telling, if you want me to tell it.

Mr. WHEELER. I would like to have it.

Mr. ROBERTS. My impression was that Mr. Lessler had made statements in committee he could not substantiate.

Mr. WHEELER. You thought it was a lie?

Mr. ROBERTS. You can put any words into the record you want to.

Mr. WHEELER. I don't want to put them into the record.

Mr. ROBERTS. I have told you my impression, for which you asked me. I do not attempt to pass upon the truth or honesty of the statement.

Mr. WHEELER. I do not want to ask you to say anything that is disagreeable; but is it not a fact that you never have believed anything that Lessler said?

Mr. RIXEY. That is hardly a fair question.

Mr. WHEELER. Then I withdraw it.

Mr. MUDD. It is doing Lessler an injustice.

Mr. ROBERTS. Do you really, as a member of this committee, want me to begin with the chairman and go down through the members of this committee and give you my opinion about them all?

Mr. WHEELER. Not at all.

Mr. ROBERTS. Then why do you ask this question?

Mr. WHEELER. Simply to lead up to another question. It was to explain the question I want to ask you now, and that is if you had not been a very ardent and a very aggressive advocate of the Holland Submarine Boat Company?

Mr. ROBERTS. And I am to-day.

Mr. KITCHIN. I object to that question because he is a man who has got to vote on this proposition. You might just as well go around and ask somebody else if they have not been antagonistic to the proposition.

Mr. WHEELER. I have been resisting the proposition and I avow it.

Mr. KITCHIN. That same question might be asked of other members here that might disqualify them from voting.

Mr. WHEELER. I am trying to find out a motive for Mr. Roberts's action, entirely consistent with propriety and integrity.

Mr. KITCHIN. Of course the purpose of your cross-examination is to impeach the witness.

Mr. WHEELER. No; it is to show that his interest in this matter is as great as Lessler's.

Mr. KITCHIN. You have failed to show any corrupt interest in it.

Mr. WHEELER. I have not tried to do so. I am not trying to find any corrupt interest. I submit that the witness and the gentleman is doing me an injustice.

Mr. KITCHIN. I can not understand the purpose of it unless it is meant to impugn his motive.

Mr. WHEELER. Can not you understand how a man can be earnestly interested in a measure without his object being to establish a corrupt purpose? Now I will go back. You say you have been the champion of this measure?

Mr. ROBERTS. Yes, sir.

Mr. WHEELER. You believe sincerely and earnestly that it is a correct and desirable project?

Mr. ROBERTS. I do, most decidedly.

Mr. WHEELER. Do you think that you can state, with absolute fairness and certainty. in view of this interest that you say you feel, have felt, and now feel, a perfectly impartial and detailed repetition of the conversations between you and this man Lessler?

Mr. ROBERTS. Absolutely. The very interest I have taken in the proposition has fixed his statements in my mind so that I do not forget them.

Mr. VANDIVER. Mr. Chairman, I submit that the best way to test the question as to the correctness of Mr. Roberts's statements as to what took place in that conversation is to question Mr. Lessler himself, to see whether there is any contradiction.

Mr. WHEELER. I think I have got the right to go ahead with this witness. Do you know any of the other governing officers or agents of this concern?

Mr. ROBERTS. I know the president of the company.

Mr. WHEELER. What is his name?

Mr. ROBERTS. Mr. Rice.

Mr. WHEELER. How long have you known him?

Mr. ROBERTS. I met him first some time last spring. This committee, I understood, has been invited to go to Annapolis to witness a trial of a Holland torpedo boat. I went down with a party. I know there were other members of this committee and there were other Members of Congress in that party. Mr. Rice was in that party and I was introduced to him. That was the first time I had ever seen him or heard of him; and I have never seen Mr. Rice from that day until Mr. Lessler's charge was exploded in the committee room and this investigation was commenced.

Mr. WHEELER. How long have you known Mr. Frost?

Mr. ROBERTS. For about two years.

Mr. WHEELER. What has been the degree of intimacy between you and him?

Mr. ROBERTS. I decline to state that.

Mr. WHEELER. You decline to answer that?

Mr. ROBERTS. I decline to state the degree of intimacy. I have known him for two or three years.

Mr. WHEELER. I do not understand why you decline to state. Are you friends?

Mr. ROBERTS. Yes; I am friendly with him.

Mr. WHEELER. Are you very friendly with him?

Mr. ROBERTS. No; not very friendly.

Mr. WHEELER. Are you related to him by blood affinity or consanguinity?

Mr. ROBERTS. Not in the slightest.

Mr WHEELER. Eliminate the Holland torpedo boat entirely from your mind and understand that I am not considering that at all. Have you ever had any business relations with Mr. Frost?

Mr. ROBERTS. Not with Mr. Frost directly.

Mr. WHEELER. Jointly with him and others?

Mr. ROBERTS. I have this business relation with Mr. Frost and his partner, Mr. Johnson, to-day. I had a claim sent me from Africa against——

Mr. WHEELER. I do not want you to go into details unless you want to.

Mr. ROBERTS. Let me answer the question you put. I had a claim sent me from Africa against a resident of New York City. Knowing no attorney with whom I had any relations or any acquaintance in New York I wrote on to his firm. I think the firm is Frost & Johnson, attorneys. I sent them all the correspondence in the case, and in the claim, which was in the form of a draft, and asked him or them, the firm, if they would undertake the collection of it. They are now working on it. That is *all the* business relation, of any sort or nature, that I have ever had with Mr. Frost or *his partner*, or with anybody connected with the Holland submarine boat.

Mr. WHEELER. I want you to understand that I did not want to inquire into the details of your business.

Mr. ROBERTS. That is the question you put.

The CHAIRMAN. Mr. Lessler, do you want to make a statement?

Mr. LESSLER. I simply want to make the statement that what Mr. Roberts says is substantially true. I did not refer to the matter here, except by way of answer to a question by Mr. Nicoll, who seemed to know all about what passed with Mr. Roberts. I did meet him in Statuary Hall. Whether I said "Oh, my God, I can't stand this thing"—I do not remember it. I did say to Mr. Roberts that I would like to have the thing stopped, and, just as he states, volunteered the proposition as he is the advocate of the Holland torpedo boat here, that I would sign a statement saying that I had made no direct accusation of anything between them personally and me, in the charges pending in the committee. He was standing right at the mantelpiece when he brought me that letter. I saw that it was addressed to the Holland Torpedo-Boat Company, and I said: No, I will not sign that statement.

Mr. ROBERTS. You did not read the statement?

Mr. LESSLER. No; I did not.

Mr. VANDIVER. I would like to ask Mr. Lessler a question or two. You had stated to him the day before that you would sign a statement of that nature, or something of that kind. Why was it you objected to signing it without knowing what was really in it?

Mr. LESSLER. Because it was addressed to the Holland Torpedo-Boat Company.

Mr. VANDIVER. Is it not true that, in the meantime, you had seen some of the members of that subcommittee and had learned that the investigation was to go forward and that you could not stop it?

Mr. LESSLER. No; it is not true, for the reason that nothing was determined about the investigation going forward until we got into the full committee and the report of Mr. Tayler was made. Discussion was had then, and Mr. Tayler drew from his pocket the resolution. That was the first time I knew of a full investigation.

The CHAIRMAN. Is there anything further? If not we will go into executive session.

Thereupon the committee went into executive session.

The CHAIRMAN. Mr. Kahn, of the House of Representatives, whose name has been mentioned by one of the witnesses, desires to make a statement.

TESTIMONY OF JULIUS KAHN.

JULIUS KAHN, being first duly sworn, testified as follows:

The WITNESS. Name, Julius Kahn; Member of the House of Representatives from the fourth California district. Mr. Chairman and gentlemen of the committee, my attention has been called to a statement that was made before the committee by Mr. McNeir. As a matter of fact, the circumstances are these, as I recall them: About a year ago last December, when I came here to Washington, there was considerable newspaper talk about the possibility of trouble with Japan. The oriental school question at San Francisco was very acute. The people of the Pacific coast were very insistent on their rights, and at that time we did not know what might happen. We of the Pacific coast, facing an oriental people, realized that they are scrappy and we are scrappy, and you never can tell under those conditions what is apt to happen. I had tried to secure an appropriation for the construction of a torpedo planter on the Pacific coast.

As a member of the Committee on Military Affairs I had learned that there were four or five of those ships in use on the Atlantic and none on the Pacific, so I felt that as a representative from one of the Pacific coast ports, it was incumbent upon me to do everything I could to secure one of those boats for that coast. My interest in the matter was noted in the newspapers, and then one evening at the Hamilton Hotel, where I was living, Mr. McNeir called to see me. I saw him down in the office of the hotel and he said he had read my

statement, or what purported to be my statement, and then asked me whether I had ever given the matter of submarine boats any consideration. I told him I had seen some of them being constructed at the Union Iron Works at San Francisco, I believe, and that I understood they were a very good thing, although I had not investigated the matter very seriously. He told me that in his judgment he thought that probably the ports of the Pacific could be fortified in that way quicker than in any other way, and after some little conversation with him upon the subject I agreed with him. I thought that a number of submarines on the Pacific would be an excellent thing. So I introduced a bill to build a number of them on the Pacific coast. There was no mention made as to any particular kind of submarine, and I am quite positive that Mr. McNeir in his entire conversation with me never mentioned the name of any company that he was connected with, and I never knew that he was connected with any particular company. The entire thing was done in the open, there was nothing secret about the entire conversation, and I did not even charge my mind with the particulars because I thought nothing of it. I introduced a bill, and within two or three days I received a call from former Senator Thurston and Mr. Lake. They called upon me at the hotel, and I received them also in the office of the hotel: They said that they were very glad to see that I had introduced the bill, and Mr. Lake told me of the splendid work he was doing in perfecting a boat. As I recall now, he said he had about completed one that would be able to run between San Francisco and the Hawaiian Islands under her own fuel and without any assistance. I told him I thought that was a marvelous vessel.

Mr. OLMSTED. Under water?

A. No; he did not say under water but he said she could go under her own power from San Francisco to Hawaii, and he said that he hoped Congress would do something with reference to the construction of submarines. That was the substance of the conversation. I did not see any of the gentlemen after that time. I do not think I saw Mr. McNeir again until I happened to meet him by accident during this session somewhere on the street. That is the entire connection that I have had with the matter.

The CHAIRMAN. Unless someone wishes to ask Representative Kahn a question, the committee have no desire to ask anything.

By Mr. HOWARD:

Q. Is it true that there is no place out on the Pacific coast where you can land, get a landing?—A. There are numerous places where you can land, and my very purpose in trying to get a torpedo planter and my very object in subsequently trying to get submarine boats was for this purpose. The harbor of San Francisco, I think, is probably one of the strongest fortified harbors in the world. It is a natural harbor and has splendid facilities for fortification, but within 80 or 90 miles down the coast there is a beautiful bay where a foreign enemy could probably enter and without much difficulty land a good many men with practically nothing in the way of fortifications to stop them. I had in mind at the time I took up the matter a work that I had read with reference to the manner in which the Japanese had landed on the shore at Chemulpo. They were thoroughly prepared.

It was a harbor not unlike the harbor out there, and the harbor farther down the coast at Monterey, and if we ever got into trouble with those people, unless we had torpedoes or submarines to protect those harbors, there is nothing under the sun that could prevent them from landing there. We of California, of course, realize that there is always a possibility of a break and want those points protected. We do not feel differently from what the people of the East felt, if the newspapers were reported correctly, at the time Cervera's fleet left Spain, and every city on the eastern coast was fearful that he might appear in front of that particular city, ready to bombard it.

Q. Did you hear during that time that they took their valuables into the interior of the country in New England?—A. No; I didn't see that. Neither did the people of California bury their valuables.

I thank you for your kindness.

Mr. OLMSTED. Had you heard whether the people in Georgia were a little timid about that time?

A. Well, when a fleet leaves for an unknown destination and the country is in a state of war, I do not know but that the people on the seaboard anywhere are apt to be a little bit timid.

Mr. HOWARD. It was not at that time, but there was a time when we were fearful of our valuables.

A. You had not many valuables left I suppose.

Mr. HOWARD. No.

TESTIMONY OF MAURICE BARNETT.

MAURICE BARNETT, called as a witness, being first duly sworn, testified as follows:

The CHAIRMAN. I will ask Mr. Olmsted to examine Mr. Barnett.

By Mr. OLMSTED:

Q. Give the stenographer your full name.—A. Maurice Barnett.

Q. Where do you live, Mr. Barnett?—A. New York City.

Q. State what relation, if any, you sustain to the Electric Boat Company?—A. I am the secretary and treasurer of that company.

Q. You are both secretary and treasurer?—A. Yes, sir.

Q. How long have you been both secretary and treasurer?—A. Since September, 1905.

Q. Had you any connection with the company prior to that time?—A. Yes; I was vice-president prior to 1905.

Q. How long have you been connected with the company?—A. Since 1902.

Q. What are your duties as treasurer of the company, in a general way?—A. I am treasurer of the company; I sign the checks of the company, and I have particular charge of the management of the electric division of that company, which has been referred to previously in this hearing as the Electric Dynamic Company, manufacturing electric equipment.

Q. You did not run the Electric Dynamic as treasurer of the company?—A. I regard that as a part of my duty as an officer of the company.

Q. Do you hold any other title than as secretary and treasurer?—A. Director.

Q. State to whom the money of the company, when paid into the company, is received by.—A. It is received by the d[illegible] of the company—the banks where the company r[illegible]

Q. Where does it come from, then?—A. I do not understand the question.

Q. You are the treasurer of the company; do you have charge of its funds?—A. As treasurer I am instrumental in dispensing the funds.

Q. You can not dispense them unless you get them or have charge of them.—A. I thought that question was whether I had charge of them.

Q. I ask you that; that is what I am trying to find out; do you have charge of the funds of the company? A. The funds of the company are in the depositories of the company—in the banks.

Q. Do you put them in the banks? Then will you kindly explain what the duties of the treasurer are besides running the dynamics?—A. The duties of the treasurer are to dispense the funds of the company when contracted by the officers of the company; to arrange for the finances of the company.

Q. Do you dispense the moneys of the company, then?—A. Yes, sir.

Q. How is the money paid out by the company; what is its method of disbursing money?—A. By checks, checks signed by the officers of the company.

Q. Now, does the treasurer sign the checks?—A. The treasurer and another officer of the company; two signatures are necessary to a disbursement.

Q. Is the signature of the treasurer necessary is what I am trying to get at.—A. No; not exclusively; the checks may be signed by two officers of the company; it may include and it may not include the treasurer's. I did not understand your question.

Q. I did not quite understand your answer. I thought you said that two officers must sign the checks.—A. Yes, sir; two officers may sign the checks of the company, but not exclusive or inclusive of the treasurer—any two officers of the company.

Q. What two officers may sign them?—A. The president and the treasurer, or the vice-president and the treasurer, or the president and the assistant treasurer—two officers of the company.

Q. The moneys of the company are disbursed by check?—A. Yes, sir.

Q. When those checks have been used, do they come back to the treasurer or not?—A. They do not come back to the treasurer.

Q. Where do they go?—A. They go to the accounting department and are filed away.

Q. Is not that accounting department under the supervision of the treasurer?—A. The accounting department is under the supervision of the treasurer.

Q. Do you have an auditor?—A. Yes, sir.

Q. What are your duties as secretary?—A. I record the minutes of the proceedings of the stockholders and directors and certify copies of records when directed. I perform the usual functions of a secretary.

Q. Attend the meetings of the secretary?—A. Yes, sir.

Q. And record the minutes?—A. Yes, sir.

Q. And you are also a director?—A. Yes, sir.

Q. You are the custodian of the stock transfer books?—A. No; it is a New Jersey corporation, and the stock transfer books, I believe, under the New Jersey laws, must be kept in New Jersey.

Q. And your office——A. Is in New York.

Q. Now, Mr. Barnett, it has been stated in the first place that it can be shown upon investigation that certain representatives of leading newspapers have been subsidized and paid by the Electric Boat Company for favorable newspaper articles and reports in behalf of said company. Can you tell me whether or not that is true?—A. I have no knowledge whatever of any such disbursements having been made by the company.

Q. It has been stated that a thorough investigation by an impartial committee will show that large sums of money have been, by the Electric Boat Company, its officers or agents, contributed to campaign funds of Members of Congress who favor and have favored the Electric Boat Company's monopoly of submarine construction, also that large sums of money have been spent to accomplish the defeat of members of the Naval Committee who did not favor the Electric Boat Company. I will ask you whether as secretary or treasurer or director, or in any other capacity, you have knowledge of any such expenditures of money?—A. I have absolutely no knowledge, and I am absolutely positive that no funds of the company have at any time ever been expended for any purpose mentioned by you.

Q. Mr. Barnett, it has been stated before this committee by a witness, Mr. Lilley, as follows:

> I also became advised of prevailing and persistent rumors that the Electric Boat Company had contributed in some Congressional districts represented by members of the Naval Committee to their campaign fund, and that it had contributed in one instance to the campaign fund of the opposing party in the Congressional district represented by a member of the Naval Committee.

I will ask you to state whether or not that is true.—A. That is not true.

Q. Is it true in any particular?—A. In no particular.

Q. Do you state that from your knowledge as secretary and treasurer and director and any other relation you have in the company?—A. In every relation I bear to the company or officers of the company I know the statement is absolutely untrue; the company has never contributed in any way, shape, or form to the campaign funds, either for or against the election of any Congressman.

Q. Upon another charge specifically made, which I bring to your attention, made also by Mr. Lilley:

> I further state that the question as to whether or not contributions or expenditures have been made in these certain Congressional districts represented by members of the House Naval Committee can be shown by an examination of the officers of the Electric Boat Company, and the presentation of vouchers, checks, books, and check stubs, as well as accounts.

I ask you what you say as to that? A. My first statement is that an examination would not reveal such entries, because they do not exist; the disbursements have never been made, and therefore it would be an impossibility for them to be shown by an examination of the books of the company.

Q. Then do I understand you to deny in the first place that any such contributions or payments have been made? A. Deny absolutely and positively.

Q. And in the second place you say, if I correctly understood you—I will ask you whether the vouchers, check books, check stubs, or

accounts of your company will show any such expenditure?—A. They will not show any such expenditures.

The CHAIRMAN. Does any member of the committee wish to ask Mr. Barnett any questions?

By Mr. STEVENS:

Q. Who has authority to incur expenses on behalf of the company?—A. The president of the company, the vice-president of the company.

Q. Who is that?—A. Mr. Frost.

Q. The president of the company is Mr. Rice?—A. Mr. Rice.

Q. Who else?—A. And counsel of the company.

Q. Mr. Johnson?—A. Mr. Johnson.

Q. Are there any other officers of the company who have authority to incur any expense?—A. I might say that the treasurer of the company. I might, acting in the performance of my duties, incur some expense for the company. Except to an exceedingly limited extent I never have incurred any expense for the company.

Q. These three officers that you mention have authority to incur expense on behalf of the company without any authority from the board of directors, have they?—A. What is the question?

Q. That these three officers that you have named have the power and right and authority to incur expense for the company's interests without any previous authority of the board of directors?—A. I would like to modify the answer slightly by saying one officer of the company can not incur expense of his own initiative, for no funds of the company are ever drawn except by approval of an officer of the company; therefore it implies that there must be approval of the expenditure.

Q. Now supposing that Mr. Johnson or Mr. Frost wished to have some legal services performed in Washington, have they authority to hire lawyers or agents here to do work for the company before the Department?—A. Well, that is entirely outside of my province as treasurer. I think that you could ascertain that from Mr. Johnson himself.

Q. Well, now, assuming that employment has been made, in what way would they get money from the treasury to pay those bills?—A. The president might instruct the treasurer or Mr. Johnson.

Q. In what way would he instruct the treasurer?—A. He might send a written memorandum to the treasurer, instructing him to pay Mr. Johnson.

Q. Would you pay upon an oral direction of the president?—A. It is invariably in writing by the president.

Q. That is what I want to find out. Do you require as an invariable rule a memorandum by the executive officer of the company who has authority to incure expenses before making out your checks?—A. That is correct except as to factory bills. There the bills are approved by two persons, the purchasing agent and the general office clerk. Of course, if the bill is for material—copper wire, or anything like that, that I know of my own knowledge as manager, we will say, of the dynamic company, that the bill is thoroughly authentic—that would not necessarily be approved by an executive officer of the company.

Q. Are the expenses out of the ordinary for the benefit of the company authorized by those officers that you have stated required to be

authorized by resolution of the board of directors?—A. They are approved by the executive officer of the company.

Q. Any executive officer you have named has the right to make expenditures for the benefit of the company?—A. The three executive officers that I have named, president, vice-president, and counsel for the company, and the two executive officers.

Q. Have either of those officers to your knowledge since you have been treasurer authorized sums of money, say, $5,000 or $10,000, without signifying for what purpose it is drawn?—A. They have not.

Q. Have they drawn a sum up to $5,000 without signifying for what purpose it was drawn?—A. They have never drawn any money without signifying the purpose for which it was drawn.

Q. So that there is a memorandum on file in the office signifying the purpose of all drafts on your treasury?—A. Yes, sir.

Q. Do any of those memoranda show any expenses for the purpose of promoting business before Congress?—A. They do not.

Q. Do any of those memoranda show expenditures for the purpose of influencing the action of Congress or any Members of Congress?—A. They do not.

Q. Could any expenses of any amount be paid without some memoranda of some kind being on file indicating the amount expended for some purpose?—A. I would say no.

Q. If the expenditure of a considerable amount was made and an unusual statement was filed for it—unusual memoranda—would you know it?—A. No.

Q. Would you notice it?—A. I mean to say it might be filed with the president, for instance, or it might be filed with the counsel, for instance; I would not necessarily be acquainted with it.

Q. You look over your accounts, I presume, money disbursed and money on hand?—A. Yes.

Q. Do you keep watch of the expenditures that are made, the checks that are signed by others?—A. I do.

Q. So that you keep familiar in a general way with the checks that you sign and the checks that others sign?—A. I do.

Q. Have you noticed any check for unusual sums of which there was an unusual memorandum by anybody?—A. No.

The CHAIRMAN. Any other questions by any member of the committee? If not, is there any Member of the House of Representatives who desires to submit any question to this witness?

By Mr. OLMSTED:

Q. Mr. Lilley has submitted the following, which the chairman desires me to put to you, Mr. Barnett: Have you in your possession or under your control vouchers or other written memoranda of the payment of money to attorneys or other persons for services rendered the Holland Torpedo Boat Company or the Electric Boat Company?—A. I have not.

Q. Have you in your possession or under your control any check, check stubs, or receipts in writing showing what sums of money have been received by attorney or other persons for services rendered to said company?—A. I have not.

Q. Where are such vouchers and other written evidences of payments kept?

Mr. LITTLETON. I think I ought to say to the committee that Mr. Rice being the president of this company, knowing that the

demand would probably come or might come for the possession of books and papers, and all that, in order that there might not be divided authority on that question, is the actual custodian of the books and papers of this description, such as are being inquired about now, and that was in order not to have divided responsibility and the question raised as to who was the actual custodian; he is the actual custodian and is in Washington, and when that question comes up, he admits being the actual custodian of those books and papers.

The CHAIRMAN. That decision will be made in due time.

Mr. OLMSTED. Is it your desire that the questions shall be put in view of that statement?

Mr. LILLEY. I would like to have the questions put.

Q. Where are such vouchers and other written evidences of payments kept in the ordinary course of the business of the company? Where are they now, if you know?—A. Ordinarily kept in the office at New York. They are in Mr. Rice's custody at the moment.

Q. He being the president?—A. Being president of the company.

Q. Have you in your books or under your control any vouchers showing payments made to Mr. E. B. Frost for services rendered; also for any payments made by him to any other person or persons of expenditures made by him for expenses in connection with the affairs of said company?—A. I have no such papers in my possession.

Q. What books of the Electric Boat Company or the Holland Torpedo Boat Company will show the expenditures of money as above suggested, where are they ordinarily kept, and in whose possession, and in what place are they at the present time?—A. I do not know in what particular book those entries are made. They are ordinarily in New York. I do not know at the moment where they are, except that they are under the custody, as counsel said, of President Rice.

Q. Did the Electric Boat Company keep any book in which was entered the accounts between the company and Isaac L. Rice or E. B. Frost or attorneys or other persons employed by the company?—A. I presume so.

Q. If so, what books are they and where are they at the present time?—A. In the custody of Mr. Rice.

Q. Did the Electric Boat Company keep any books of accounts showing money paid by it to Isaac L. Rice, E. B. Frost, Norman G. Johnson, and other persons employed as attorney or otherwise in its efforts made to secure legislative appropriation for submarines; if so, what books were they, how kept, who by, and in whose possession are they at the present time?—A. There was no money paid for such purpose.

Q. Then were there any books in which accounts of such money was kept?—A. No.

Q. Also what you know generally as to where the committee can secure the books, vouchers, accounts, receipts, and other evidences showing such expenditures—that is, the expenditures referred to in the preceding question.—A. All the books of the company are in the custody of President Rice, but there were no expenditures such as referred to in the preceding question.

Q. Did the Electric Boat Company have an account with Norman G. Johnson?—A. I presume so.

Q. Did it have an account with Mr. Creecy?—A. I don't know; Mr. Creecy's services terminated some years ago.

Q. Did it have an account with Mr. McNeir?—A. I believe so.

Q. Did it have an account with W. D. Gordon?—A. I do not know.

Q. If so, where are those accounts and how may they be secured by the committee?—A. All the books of the company are in the custody of President Rice.

Q. Are all the books of accounts, vouchers, receipts, checks, check stubs, bank books, correspondence, and other written evidence showing expenditures of the Electric Boat Company now in existence; if so, where are they and how can they be obtained? If not, state fully what knowledge you have as to what has become of them.—A. They are all in the custody of Mr. Rice.

Q. Mr. Rice, the president of the company?—A. Yes, sir.

Q. Have any books of accounts, vouchers, or other papers such as above indicated been removed from the possession of the Electric Boat Company?—A. No.

Q. In whose custody were they originally placed? Or if any of the same have been destroyed, state fully any knowledge you may have on the subject?—A. They are all in the custody of President Rice; none have been destroyed.

Q. Have you on your part, as an officer of the Electric Boat Company, any objections to an examination of these books and records, of the character above indicated, by an expert accountant to be appointed by the committee and acting under its direction?—A. That is a question of policy which I, as a subordinate officer of the company, could not undertake to pass on.

Q. Does the Electric Boat Company keep a ledger, and what other books of account does it keep?—A. I presume it keeps a ledger, cash book—all the necessary books.

Q. All the books usual in a corporation?—A. All of them.

Q. Showing its financial accounts?—A. Yes, sir.

Q. Do all the expenses of the company appear upon those books? If so, upon which?—A. I do not know in which particular books the entries are made. The company could not conduct its business without keeping a record of its expenditures.

Q. Did the Electric Boat Company prepare or cause to be prepared any annual or other balance sheets showing expenditures of money; if so, where are those balance sheets and how can they be obtained by the committee?—A. It is the custom in all companies to prepare statements showing the principal assets and liabilities. All the records of that kind are in the custody of President Rice.

Q. Are they in existence, or have there been made at any time annual or other reports of the officers of the Electric Boat Company to its stockholders showing expenditures in money and disclosing in any way as to what these expenses have been made for?—A. I do not know.

Q. Does or did the Electric Boat Company keep a stock transfer book, showing stockholders of the said company as they may have been from time to time, where is that stock register, in whose possession, and how can it be obtained by the committee?—A. I have already answered that question, that the laws of New Jersey require a

corporation of that State to keep its books in the principal office of the company in the State of New Jersey.

The CHAIRMAN. Does any other Member of the House of Representatives desire to ask this witness any questions? If not, Mr. Barnett, you may be considered discharged as a witness.

By Mr. OLMSTED:

Q. So as to have the record complete, at the end of the first four questions there was added, and I intended to ask it at the conclusion—at the end of each of them was added this as to the books, "and if so, will you produce them?" I understand now that you have answered that by saying that they are in the custody of Mr. Rice?—A. Yes, sir.

Q. That is true as to all the books which I have asked you about in this series of questions?—A. Yes, sir.

The CHAIRMAN. We will call Mr. Ferry.

TESTIMONY OF CHARLES FERRY.

CHARLES FERRY, being called as a witness, being first duly sworn, testified as follows:

The CHAIRMAN. I will ask Mr. Stevens to examine Mr. Ferry.

By Mr. STEVENS:

Q. What is your name, residence, and business?—A. Charles Ferry, Bridgeport, Conn.

Q. What is your business?—A. Metallurgist, and salesman of the Bridgeport Brass Company.

Q. Did I understand you to say that you were the manager?—A. Metallurgist and salesman.

Q. Who is the manager of the company?—A. F. H. Kingsbury, jr.

Q. I suppose one of the constituent companies of the American Brass Company?—A. It is not.

Q. It is an independent corporation?—A. It is.

Q. As a part of your duties as salesman, what have you to do?—A. Solicit business in brass and copper or any other product that we make.

Q. Have you been soliciting business and do you secure business and supplies for the construction of submarines?—A. We do.

Q. What do you supply?—A. Brass tubes, rods, sheet brass work, all products of copper and copper alloys.

Q. Whom do you supply these articles to?—A. To the Fore River Shipbuilding Company.

Q. Who else?—A. I know of no other shipbuilding concern that makes submarines.

Q. Who are your contracts made with?—A. With the Fore River Shipbuilding Company.

Q. Do you solicit and secure those contracts? Have they been made through you?—A. I do.

Q. They have been made through you?—A. Yes.

Q. For how many years have you had such contract?—A. Three or four years, I can not tell you exactly; I should say three or four years.

Q. Have you had any contract with the Electric Boat Company of New Jersey for supplying materials?—A. We have not.

Q. Have you had any contracts with the Lake Torpedo Boat Company for supplying materials?—A. We have not.

Q. So that the only contract you have for supplies for submarines is with the Fore River company, of Quincy, Mass?—A. Yes, sir.

Q. Who solicits that business?—A. I do.

Q. When you want business, whom do you go to; what person?—A. Usually to Admiral Bowles.

Q. The manager of the company?—A. The president of the company.

Q. And the man in charge of these affairs?—A. Yes.

Q. Do you go to the officers of the Electric Boat Company or the Lake Torpedo Boat Company when you want to get business?—A. No, sir.

Q. Do you know Representative George L. Lilley, of Connecticut?—A. I do.

Q. How long have you known him?—A. Since February, I think.

Q. Of what year?—A. 1908.

Q. February of this year?—A. Yes.

Q. How did you become acquainted with him?—A. Mr. John Kellogg introduced me to him.

Q. Where?—A. At the New Willard.

Q. Washington?—A. Washington, D. C.

Q. State the circumstances under which you were introduced to Mr. Lilley.—A. Mr. Kellogg told my company——

Q. Told whom?—A. Told Mr. Kingsbury that probably there might be more submarines purchased by the Government, and that Mr. Kingsbury suggested that I go to Washington and get all the information I could as to the probability of this opening, and asked me to meet Mr. Kellogg at the New Willard.

Q. What did you say?—A. I met Mr. Kellogg and Mr. Kellogg told me he thought Mr. Lilley ought to know that we made a great deal of material, or had made a great deal of material in the past, a portion of which had been used in submarine boats.

Q. When did Mr. Kellogg tell you that?—A. I think in February, 1908.

Q. At the New Willard?—A. At the New Willard.

Q. That was at the interview you spoke of?—A. Yes, sir.

Q. When did he introduce you to Mr. Lilley?—A. At the same time.

Q. Did you talk to Mr. Lilley at that time?—A. I talked with him the next day.

Q. Did you make an appointment at that time to meet him the next day?—A. I did.

Q. Where was the appointment made and kept?—A. The appointment was made at the New Willard, and I called upon him at his office.

Q. Where?—A. In this building.

Q. What time of the day was that?—A. That was, I think, at 12 o'clock.

Q. At noon?—A. At noon.

Q. Who was with you?—A. I was alone.

Q. Who was in the room at the time of the interview?—A. Mr. Lilley and his secretary.

Q. State what occurred at that interview?—A. I told Mr. Lilley that I understood that the Government was liable to purchase more submarine boats, and that inasmuch we had made material which

we supposed had been used in submarine boats, or, at least, purchased by the company which constructed the *Holland* boat, we thought it was perfectly fair that he should know this, and that if he could consistently vote for that bill we would be glad to have him do so.

Q. Was that the language you used?—A. That is as I remember it.

Q. Is your recollection clear upon that point?—A. Quite clear; yes, sir.

Q. What did you tell him about your works being practically closed down?—A. I told him that I was seeking business, or prospects of business, with unusual diligence at this time, because we were running shorthanded, and not through the full week.

Q. What did he reply to that?—A. He asked me if I came there to ask him to vote for a bill appropriating a large sum of money for the construction of submarines. I told him I did not, unless he could do so consistently.

Q. Did you make any statement to him that you had the promise of an order from the Holland or Electric Boat Company if he, Mr. Lilley, would vote right on that proposition?—A. To my best knowledge and belief I did not.

Q. Did you know anything about any promise that was made by the Holland or Electric Boat Company to you or your company that if Mr. Lilley voted right you would secure an order?—A. I did not.

Q. Did Mr. Kingsbury give you any such information, or did Mr. Kellogg give you any such information?—A. He did not.

Q. Was that in your mind, that it was a conditional promise, when you conferred with Mr. Lilley?—A. No, sir.

Q. What did he reply further?—A. He asked me how much in dollars and cents—I will take that back. He asked me how much material of our manufacture was used in a submarine boat. I told him I had no information or data upon the subject, and therefore could make no intelligent estimate.

Q. Did not you make an estimate?—A. He said: "How much do you imagine would be used in the submarine boats to be provided for?" I do not remember the number. I still told him I had not any idea. As I remember it, he said: "A hundred thousand dollars' worth?" I said I did not believe as much as that. Then he came down to $20,000, and I said, "Possibly, and possibly a little more." Then he asked me how much profit we made on this material. I told him that I was not in a position to say, but for a guess, it might be 10 per cent. So that he arrived at a profit of $2,000 as an example, and wanted to know if I came there to ask him to vote for a bill in which we might make a possible profit of $2,000, and I still told him that I was not there to ask him to vote for a bill unless he could consistently do so.

Q. You are sure about that language at that time?—A. To the best of my knowledge and belief.

Q. Are you accustomed to confer with officers about their official acts?—A. No; I am not.

Q. That is not a usual part of your business?—A. No, sir.

Q. So that would you or would you not be careful about your language under such circumstances?—A. Well, I feel that I would.

Q. Why do you say that you remember fairly well the language that you used in asking Mr. Lilley to vote for that proposition?—

A. I will say this, if I may. I told Mr. Lilley that we had received so much business from the shipbuilders who constructed the *Holland* boat that we naturally felt sanguine and interested in any bill of that sort—sanguine about receiving orders from that concern.

Q. Did you ask him to vote for submarines, or did you ask him to vote for submarines constructed by the Electric Boat Company?—A. Submarines.

Q. Are you sure about that? Did you ask him to vote for submarines in general or did you define it?—A. I would like to modify that. Submarines of the *Holland* type.

Q. And you used that laguage, submarines of the *Holland* type?—A. That, or substantially that.

Q. What did he say finally upon the proposition, after you got to the point of indicating the profit or possible profit that you might make?—A. I do not remember anything else that he said further than that he was not enthusiastic over the submarines.

Q. Did he indicate to you that he would not vote for any submarines?—A. I think that he intimated that he would vote for the bill on account—mainly on account of the extreme desire of higher officials that wished submarines.

Q. Did he indicate who those higher officials were?—A. Well, the only one I remember is the Secretary of the Navy.

Q. Then he indicated to you that he would vote for submarines because the Secretary of the Navy asked for them, was that it?—A. Substantially that, I think.

Q. Did he indicate that in his own judgment submarines would not be of benefit to the Government?—A. My impression was that he preferred battle ships to submarines.

Q. Did you discuss with him the form of the legislation that should provide for submarines?—A. No, sir.

Q. Did you know anything about the form of the legislation?—A. No, sir.

Q. You have had no experience with those matters?—A. No, sir.

Q. Did you or he in that conversation mention the fact that the Lake Torpedo Boat Company also constructed submarines? Was that term used in any way?—A. I do not remember of that having come up.

Q. How large a plant have you at Bridgeport; what does your company have?—A. When we are running full we employ about 1,500 hands, I believe.

Q. What is your annual output in value of product?—A. That is out of my line.

Q. Do not you know anything about it?—A. In dollars and cents I should say our monthly sales, when we are running full, might be $250,000 a month.

Q. So that when you are running full, say with a good output, they might run $250,000 a month, and the annual output of last year would be a couple of million dollars, would it?—A. Based upon that.

Q. Is $20,000 a very large order for your company?—A. Considering that our orders are made up of many small ones, I should say it was.

Q. So that $20,000 is a desirable order for you?—A. Yes, sir.

Q. Has your company ever taken any part in political affairs?—A. Not to my knowledge.

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Q. What did he reply to that?—A. He asked me if I came there to ask him to vote for a bill appropriating a large sum of money for the construction of submarines. I told him I did not, unless he could do so consistently.

Q. Did you make any statement to him that you had the promise of an order from the Holland or Electric Boat Company if he, Mr. Lilley, would vote right on that proposition?—A. To my best knowledge and belief I did not.

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Q. What did he reply further?—A. He asked me how much in dollars and cents—I will take that back. He asked me how much material of our manufacture was used in a submarine boat. I told him I had no information or data upon the subject, and therefore could make no intelligent estimate.

Q. Did not you make an estimate?—A. He said: "How much do you imagine would be used in the submarine boats to be provided for?" I do not remember the number. I still told him I had not any idea. As I remember it, he said: "A hundred thousand dollars' worth?" I said I did not believe as much as that. Then he came down to $20,000, and I said, "Possibly, and possibly a little more." Then he asked me how much profit we made on this material. I told him that I was not in a position to say, but for a guess, it might be 10 per cent. So that he arrived at a profit of $2,000 as an example, and wanted to know if I came there to ask him to vote for a bill in which we might make a possible profit of $2,000, and I still told him that I was not there to ask him to vote for a bill unless he could consistently do so.

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Q. Why do you say that you remember fairly well the language that you used in asking Mr. Lilley to vote for that proposition?—

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Q. Did he indicate who those higher officials were?—A. Well, the only one I remember is the Secretary of the Navy.

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Q. Did you discuss with him the form of the legislation that should provide for submarines?—A. No, sir.

Q. Did you know anything about the form of the legislation?—A. No, sir.

Q. You have had no experience with those matters?—A. No, sir.

Q. Did you or he in that conversation mention the fact that the Lake Torpedo Boat Company also constructed submarines? Was that term used in any way?—A. I do not remember of that having come up.

Q. How large a plant have you at Bridgeport; what does your company have?—A. When we are running full we employ about 1,500 hands, I believe.

Q. What is your annual output in value of product?—A. That is out of my line.

Q. Do not you know anything about it?—A. In dollars and cents I should say our monthly sales, when we are running full, might be $250,000 a month.

Q. So that when you are running full, say with a good output, they might run $250,000 a month, and the annual output of last year would be a couple of million dollars, would it?—A. Based upon that.

Q. Is $20,000 a very large order for your company?—A. Considering that our orders are made up of many small ones, I should say it was.

Q. So that $20,000 is a desirable order for you?—A. Yes, sir.

Q. Has your company ever taken any part in political affairs?—A. Not to my knowledge.

Q. To whom?—A. I have not.

Q. You are sure you have not talked to ay other Congressman?—A. Yes, sir.

Q. Did you ever write any other Congressman than Mr. Lilley in regard to submarines?—A. No, sir.

Q. Did you ever write to a Connecticut Congressman other than Mr. Lilley in regard to that Congressman's attitude on submarines?—A. To the best of my knowledge and belief I did not.

Q. "State whether or not President Bowles ever promised you an order provided you influenced a Connecticut Congressman other than Mr. Lilley."—A. He did not.

Q. "Did you try to influence that Congressman pursuant to Mr. Bowles's offer to you?" You said that there was no other Congressman. "What did President Bowles offer you if you would influence a Connecticut Congressman other than Mr. Lilley?"—A. Nothing.

Q. Did any such conversation ever occur with Mr. Bowles?—A. No, sir.

Q. "State whether or not President Bowles, of the Fore River Ship Building Company, ever offered you $100,000 in orders, provided you would get Congressman Hill to withdraw his support from the Lake people of Bridgeport."—A. No, sir.

Q. Did any such conversation ever occur with Mr. Bowles?—A. No, sir.

Q. "State whether or not you ever tried to get Mr. Hill to withdraw his support from the Lake people of Bridgeport."—A. I simply repeat what I said before, that I simply sent a message through Mr. Enos to the effect that we thought Mr. Hill should know that one of his constituents was making—the Bridgeport Brass Company was making a large amount of material for the company that was building the Holland boat.

Q. Did you ever talk with Mr. Hill personally?—A. No, sir; not upon that subject.

Q. Did you ever send any other information or communication in any way to Mr. Hill concerning submarines?—A. No, sir.

Q. You are sure about that?—A. Not that I remember.

Q. Would you not remember it if you did?—A. I think that I would.

Q. Do you have charge of soliciting orders for your company?—A. In a certain field.

Q. What field is that?—A. That is the eastern part of New England, including Boston.

Q. So that an order as large as $100,000 would rather remain on your memory, wouldn't it?—A. It would.

Q. And if you had made any representations or sent any communications to a man like Mr. Hill, would you not remember something about it?—A. I think I would.

Q. Do you remember of any communication of any sort, other than you have stated, to Mr. Hill or any other Member of Congress?—A. I do not.

Q. "What did President Enos tell you in regard to any attempt to get Mr. Hill to withdraw his support from the Lake people of Bridgeport?"—A. He told me that he had delivered my message.

Q. What else?—A. I can not remember that there was anything else came up.

Q. When did he tell you that?—A. That was about two weeks after I saw him first. I should say about three years ago.

Q. Where was that?—A. That was in his office—Mr. Enos's office.

Q. In Bridgeport? Is that all the communication that you had concerning the matter?—A. Yes, sir.

Q. "Did you ever talk with any person other than those mentioned in regard to Mr. Bowles's offer of $100,000 order to your company, providing you could get Congressman Hill to withdraw his support from the Lake people of Bridgeport?"—A. No, sir.

Q. You did not talk to any other person, that you know of, concerning this $100,000 order, so called?—A. No, sir.

Q. Your recollection is clear as to that?—A. Yes, sir.

By Mr. BROUSSARD:

Q. Mr. Ferry, I am going to read you the recital of Mr. Lilley before the Committee on Rules in the House, and I am going to ask you questions with reference to that recital:

A new manufacturer from the city of Bridgeport walked into my room over in the new building and told me that they were practically closed down, that they never needed an order so badly as they did now, that they had a promise of an order from the Holland or Electric Boat Company if he would vote me right on this proposition. I said, "What is the size of your order?" He said, "$20,000." I asked him what the profit was to them. He said, "About $2,000." "Now," I said, "let me see if I understand you correctly. You are asking me to vote three and one-half million dollars of other people's money, of which I am one of the trustees, for the sake of giving you a twenty-thousand-dollar order on which you are going to make $2,000 profit. Is that your proposition?" He sat and looked at me a few minutes and then said he did not like to have me put it that way. I repeated it to him, and I said, "If that is your proposition, I would prefer to pay you the $2,000 myself." That ended that interview.

Are you the new manufacturer in Bridgeport to which Mr. Lilley makes reference in this statement?—A. I am.

Q. Is that statement a truthful recital of what occurred between you and Mr. Lilley in this building?—A. Well, I think my previous testimony would cover that.

Q. Is it truthful or is it not truthful? In whole or in part, which parts of that statement are truthful and which not truthful?—A. To the best of my knowledge and belief, I did not tell Mr. Lilley that we had been absolutely promised an order, because our company had not been promised an order. The rest of it, as I remember it, is about the conversation.

Q. Now, you say to the best of your knowledge and belief. Can not you be certain about things that occurred so recently as January of this year, in which your interests were involved, about which you came to speak to a Member of Congress?—A. I remember distinctly of telling Mr. Lilley that we felt as though—that I knew that most of the material for brass had been purchased in the Valley, and inasmuch as we had made a large amount of the material for the shipbuilding company that built these submarines we felt very sanguine about getting an order, but I did not tell Mr. Lilley that we had been promised an order.

Q. Now, let us see how much of that statement is correct. You say you saw Mr. Lilley in this building in January of this year; can you fix the date at which you saw him here?—A. I think I said in February.

Q. Then you ought to remember better. You saw him here in *February* of this year. About how many days ago? When did you

come here to see Mr. Lilley?—A. I think I came here on the 1st of February, and I think I saw Mr. Lilley about the 3d of February.

Q. Do you have a vivid recollection of your conversation with Mr. Lilley on that occasion?—A. Yes, sir.

Q. Then you do not speak from best knowledge and recollection, but from an absolute recollection of what transpired where you spoke to him of a business matter in which your company evidently had some interest. Now, will you be positive about your answers? Are you a new manufacturer in Bridgeport, Conn.?—A. No; we have been established there for some years.

Q. Then that part of the statement which says "A new manufacturer from the city of Bridgeport walked into my room here in the new building and told me that they were practically closed down, that they never needed an order as badly as they did now," is not absolutely correct, is it?—A. No, sir.

Q. You made no such statement to Mr. Lilley? Did you make such a statement?—A. I thought you referred to our company being a new manufacturer.

Q. I did.—A. That part of it is not correct.

Q. Did you say to him that you had the promise of an order from the Holland or Electric Boat Company if you would vote him right on this proposition, speaking of the submarine proposition?—A. I can not remember that I did.

Q. You would remember it if you did make such a statement?—A. I think I would have been apt to.

Q. Did anybody ask you to make such a proposition to him?—A. No, sir.

Q. All the propositions you made to him came from you or from whom?—A. Came from me.

Q. Don't you know whether you made such a proposition or not, or such a statement to Mr. Lilley or not?—A. I think I did not.

Q. Don't you know whether you did or not? It is a recent occurrence. You came here especially to see Mr. Lilley; you are certain about that. Don't you know whether you made that statement or did not make that statement?—A. I know I did not.

Q. "I said"—that is Mr. Lilley's language—"I said what is the size of your order? He said $25,000," and that is yourself. "I asked him what the profit was to them"—that is, your company. "He said about $2,000. Now, I said, let me see if I understand you correctly. You are asking me to vote about three and a half million dollars of other people's money, of which I am one of the trustees, for the sake of giving you a $20,000 order, on which you are going to make $2,000 profit." Did that conversation occur between you and Mr. Lilley on that occasion?—A. He might have said that at that time.

Q. Do you know whether you did or not?—A. I think that was his statement.

Q. "He"—that is yourself—"sat and looked at me a few moments, and then said he did not like to have me put it that way." Did you make that statement to him?—A. I think I did.

Q. "I repeated it to him, and I said, if that is your proposition I would prefer to pay the $2,000 myself." Did he make that statement to you?—A. Yes, sir.

Q. He did?—A. Yes, sir.

Q. And that ended your interview?—A. Yes, sir.

Q. Now, I am going to ask you this question: Did you come here at the solicitation of anybody; and if so, who requested you to come to see Mr. Lilley in Washington in February of this year?—A. Mr. Kingsbury, our president, told me that he had received word from Mr. Kellogg that four submarines were likely to be purchased by the Government. He told me inasmuch as Mr. Kellogg knew about this and that at Mr. Kellogg's request he intended to go to Washington, but he was unable to do so, and wanted to know if I would not go there and see Mr. Kellogg and get what information I could on the subject.

Q. Your instructions carried, therefore, the idea of your seeing Mr. Lilley, and why did you see him?—A. Mr. Kellogg said that he thought——

Q. Who?—A. Mr. Kellogg told me he thought it would be well to see Mr. Lilley.

Q. Mr. Kellogg told you?—A. He told me.

Q. And it was on account of that that you saw Mr. Lilley?—A. Yes, sir.

Q. I will read you an article from the Boston Herald which Mr. Lilley has made a part of his testimony:

Congressman Lilley is to have an opportunity to prove his charges of improper influence in connection with the authorization of submarine construction. Mr. Lilley has already explained that he does not allege the direct bribery of any Member of Congress. He does allege contributions to campaign funds and other forms of indirect influence which are quite as objectionable and which should be exposed if they exist. Mr. Lilley has cited his own experience in the two instances in which appeals have been made to him by his own constituents. In each case the constituent has been bribed to approach his Congressman in the matter by the promise of a profitable contract which was dependent upon the passage of the desired legislation. The evil of corruption was in the transaction as definitely as if the offer of the bribe had been made directly to the Congressman. But the disguise of service to a constituent was so cleverly arranged that it might have deceived many a Congressman less discerning and careful than Mr. Lilley. If these practices are general, the Connecticut Congressman is fully justified in turning the light upon them

Q. Did anybody propose to you to call to see Mr. Lilley, as alleged in this article?—A. No, sir; absolutely not.

Q. Did anyone offer you anything to go to see him?—A. Absolutely not.

Q. Did anyone authorize you to offer him or any other man in Congress anything to secure their support of submarine legislation at this session of Congress?—A. No, sir.

Q. Did anyone suggest to you the method by which you might corrupt anybody on the Naval Affairs Committee of the House or any other Member of Congress with relation to this particular sort of legislation?—A. Certainly not.

Q. As a matter of fact, the articles which you handle in the concern with which you are connected, do they not form part and parcel of subdivisions of the work toward the construction of submarines and other boats used in the Navy Department with regard to the defenses of the country in the marine armament of this country?—A. They do.

Q. Would it affect your company one way or the other, if an appropriation were made by Congress to provide submarines, whether the Electric Boat Company, the Lake Boat Company, or any other company engaged in the business had secured the appropriation for the

construction of such boats as they themselves constructed?—A. No; only that we were furnishing material to a ship-building concern; we were receiving orders from that ship-building company which was building the Holland boats. We were getting in orders from the Holland Boat Company.

Q. Were you getting any from the Lake Boat Company?—A. No.

Q. Were you getting any from any submarine company—any other orders at all?—A. No, sir.

Q. Your sole interest, therefore, was to secure the fruit of any appropriation secured for the purpose of building submarines in which the articles that you handle entered into the construction of?—A. Yes, sir.

Q. If the Lake Company or the Berger Company or any other company were favored or to be adjudged the constructors of any boat, whether submarine, surface, or subsurface boat, would not the articles that you handle have been used in the construction of such boats to be constructed by any company in the United States?—A. Yes, sir.

Q. And you would have been interested in a subsurface boat or submarine boat or warship or anything of that character and with any concern, and then your sole purpose in coming here was to secure an appropriation for the construction of submarine boats, because you expected your company to get some part of the appropriation for furnishing those things which your company handles, through the contractor, regardless of who he may be?—A. Yes, sir.

Q. That is true, is it?—A. Yes, sir.

Q. You were not here, therefore, in the interests of anybody or any corporation or any individual?—A. Exactly.

Q. You were here simply, as a constituent of Mr. Lilley, urging an appropriation with which part of the Navy of the country might be enlarged?—A. Yes; precisely.

Q. Is that correct?—A. Yes, sir.

Q. Did Mr. Lilley understand that? Did you make that clear to him?—A. I tried to.

Q. Now, I want to know whether you did or not, because I want to know whether you were here for the specific purpose of affecting somebody else or whether you were here for the purpose of affecting your own business, as a constituent of Mr. Lilley, urging him for an appropriation?—A. I told Mr. Lilley that I was there simply to ask him about a specific bill and a specific thing, submarines, for the reason that I was sent here as the representative of my company to get information.

Q. You were in quest of information?—A. Yes, sir.

Q. Did not your company send you here to lobby for a particular appropriation?—A. No, sir.

Q. It did not?—A. No, sir.

Q. Haven't you gathered that from the answers you have given, that you were sent here for the specific purpose of getting an appropriation for specific items in which your company had an indirect interest?—A. Yes; if Mr. Lilley could vote for the bill consistently.

Q. Would Mr. Lilley's vote have anything to do with any orders for your company, as a matter of fact? Was that your understanding of your mission here, that if you secured his vote you would get something out of any appropriation with reference to which you come here?—A. No, sir.

told me that he did not believe that Mr. Lilley was very enthusiastic on submarines.

Q. Did he tell you how he voted on the last naval bill?—A. No, sir.

Mr. HOWARD. Mr. Lilley desires to say that where he uses the words "new manufacturer" he meant a new man other than the one he spoke about before.

By Mr. BROUSSARD:

Q. What is your official position with this corporation which you represent?—A. Metallurgist and chemist, and I sell some of the material in eastern Massachusetts and Rhode Island.

Q. You both travel and are a scientific man?—A. Yes, sir.

Q. Was that the first time your company sent you to Washington with reference to this business?—A. That is the first time I have been to Washington.

Q. Do you know Senator Brown, of your State?—A. No, sir.

Q. You never have met him?—A. No, sir.

Q. Do you know Senator Judson?—A. I have been introduced to him.

Q. Where?—A. Why, I think more than one place in Bridgeport—give me his full name, please.

Q. Stiles Judson.—A. Yes; I have met him.

Q. How long have you known him?—A. He lives in our city

Q. What is your city?—A. Bridgeport, Conn. I have only met him socially.

Q. Did you ever talk to him about this submarine matter?—A. No, sir.

Q. Never talked to him about this investigation?—A. No, sir.

Q. You never have at any time?—A. No, sir.

Q. You do not know Senator Brown?—A. No, sir.

Q. I am going to ask you this question to close this examination: Are you quite sure that no one, the Electric Boat Company, or any of its officers, agents, or attorneys, or the Lake Boat Company, any of its officers, agents, or attorneys, or any other person, has ever offered to give you anything or to secure your services to come here to see Mr. Lilley with reference to this submarine appropriation in the present bill?—A. I am sure that that is not so.

Q. Has your own company ever offered to pay you additional for your services in doing this?—A. No, sir.

Q. Has the company of which Mr. Bowles is the constructor or manager, whatever he may be, or any of its agents, officers, or attorneys, offered to pay you or promised to pay you anything for coming here to see Mr. Lilley this last February?—A. Certainly not.

Q. Has your company any promises of any orders from anybody if you came here and secured the vote of Mr. Lilley in behalf of submarines?—A. Positively not.

Q. Did you ever represent to Mr. Lilley that such was the case?—A. I am sure I did not.

The CHAIRMAN. Is there any further examination of this witness? If not, the witness will be discharged, and the committee will take a recess until 10 o'clock to-morrow morning.

All witnesses subpœnaed for to-day will appear to-morrow morning at 10 o'clock.

(Thereupon the committee adjourned until to-morrow, Thursday, April 2, 1908, at 10 o'clock a. m.)

HEARING UNDER HOUSE RESOLUTION 288.

SELECT COMMITTEE UNDER H. RES. 288,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 2, 1908.

The committee met at 10 o'clock a. m.

All the members of the committee were present except one, Mr. Broussard.

The CHAIRMAN. The committee will come to order. The committee has received word that on account of illness Mr. Broussard will not be able to be present at this morning's session. We will call Mr. Berger.

TESTIMONY OF MR. CLARENCE L. BERGER.

CLARENCE L. BERGER, being first duly sworn, on being examined testified as follows:

The CHAIRMAN. Mr. Olmsted will examine Mr. Berger.

By Mr. OLMSTED:

Q. What is your full name, Mr. Berger?—A. Clarence L. Berger, 27 Grammercy Park, patent attorney and consulting engineer.

Q. State what relation, if any, you sustain to the Subsurface Torpedo Boat Company, if that is the proper name.—A. That is the proper name. I am retained as consulting engineer for the Subsurface Torpedo Boat Company.

Q. Are you not the president of the company?—A. No, sir. I have been, but I am not now.

Q. When were you president?—A. I was president of the company from 1899 to March 9, 1908.

Q. Who is the president now?—A. Mr. C. C. Cuyler, of New York.

Q. Are you a director of the company?—A. I am.

Q. You are a stockholder?—A. A stockholder.

Q. What is the business of the company?—A. Selling subsurface torpedo boats, the primary business.

Q. I do not want to go into the mechanical details, but just generally what is a subsurface torpedo boat?—A. A subsurface torpedo boat is a protected torpedo boat, protected by the submergence of the vitals below the water. It has nothing to do with the submarine at all; it is simply a way of protecting a torpedo boat.

Q. Subsurface—it has to go below the surface of the water?—A. Never. The word was coined by me to indicate that it was a com-

bination of a surface and a submarine in form. It has the form of a double hull, the lower hull being in form like that of a submarine, which is entirely under water and contains all the vitals, and the upper hull being like an ordinary surface hull, containing cellulose so as to be unsinkable.

Q. In brief, what is the boat for—what is the purpose of it?—A. It is supposed to be, apparently, invulnerable, so as not to be sunken by shot or destroyer.

Q. What is the utility of such a boat? Do you sell it to mercantile commercial shipping companies?—A. Only to governments—that is all—for naval purposes—that is all.

Q. What use is it for? Is it a seagoing vessel, or protection of harbors, or what purpose?—A. It can be built of any size for seagoing purposes with the battle fleet the same as an ordinary destroyer, or they can be built for small size for harbor defense, for use exactly as an ordinary torpedo boat, except that this is protected.

Q. Its general purpose, then, the use for which it is intended——A. A torpedo boat.

Q. The same as a submarine torpedo boat?—A. It is used in the same way.

Q. Not in the same way, but for the same purpose? To accomplish the same thing?—A. It accomplishes the same thing by the discharge of a torpedo.

Q. The greater part of this boat gets under water?—A. I will try to describe that, if you will allow me, in my words. It consists of a surface hull which contains cellulose and is comparatively unsinkable, and a submerged hull containing engines and propelling mechanism. The two hulls are connected by a waist.

Q. The submerged hull, that is the new feature, is it?—A. The new feature is the combination of the submerged hull with the surface hull.

Q. What is the capital of the company?—A. One million two hundred and fifty thousand dollars.

Q. What dividends do you pay?—A. Have not paid any dividends yet.

Q. Have you sold any boats?—A. No, sir; we have not sold any boats yet.

Q. Have you sold any boats to any other government?—A. Not to any government.

Q. State what efforts have been made to sell any to this Government, the United States Government.—A. Up to 1894 the time of the company was expended in developing the plans of the boat and making tests of model boats, five of which were built and tested in Washington after that time, after we had completed these tests——

Q. Do you mean 1894?—A. 1904. I think it was in 1904, possibly in 1903, we, having completed these tests, presented the plans to the Navy Department in the regular way and asked for a hearing before the board on construction. After that hearing a report was rendered by the Secretary of the Navy and the board, which was then presented to the Senate Committee on Naval Affairs. I submitted the report of the board on construction to the Senator from my State, Senator Depew, and a hearing was given before the Senate Committee on Naval Affairs.

Q. Was the Senator from your State a member of the Naval Committee?—A. No, sir; he was not. Then a bill for submarines was, I believe, just reported by the House and it was amended as a result of this hearing before the Senate committee to include our boat. I think that was under a mistake, our boats were of a different class entirely, but the two boats were joined in that bill,

Q. What bill was that?—A. The bill of 1904, I think. That bill provided for contracts for either submarine or subsurface boats in the event that a boat was built. As no boat of a subsurface form was built, and the bill provided further that it must be adapted to submarine warfare, nothing was done with our boat under that bill. In the bill of 1906 the same provision was made for subsurface or submarine boats without any solicitation on our part at all. In fact I didn't know it was included in the bill until I saw a printed copy of the bill which included subsurface and submarine boats. As you know, nothing was done on that bill and was amended, as you know, in 1907, increasing the appropriation to $3,000,000. There was no boat built. Of course the boat we intended to build then was a very large and expensive boat, and we could not very well build it, a boat 225 feet long and very expensive, without a contract and assurance that it would be bought.

Q. Right there state whether the act of 1907, naval appropriation act of 1907, did not specifically mention submarine boats, did it?—A. It did; yes, sir; subsurface or submarine was the wording of the bill.

Q. State what efforts, if any, you or your company made to obtain a portion of that appropriation.—A. Under the provisions of that bill we applied to the Navy Department to have a small boat of our model built. This boat was 38 feet long, but equipped with torpedo tubes. It was merely intended to exhibit the action of the boat, the same as any other subsurface boat. Our application to test this boat was granted by the Navy Department; went to Newport and was tested at Newport between the times when the submarines were tested, independent, of course, of the submarines. At the same time that we asked for the testing of this boat we put in proposals in the regular form to the Navy Department offering to build boats of various sizes.

Q. Then you were competing in that test with the submarine boats for a portion of that appropriation?—A. We asked for a part of that appropriation. The trial board tested the boats. They were of a different class and not competing at all, so we limited our request to a part of that appropriation. In view of the fact we did not build a large boat; we hardly expected even a half under the circumstances.

Q. But you were in that competition for the purpose of showing the value of your boat and obtaining a part of the three millions and the three millions and a half, instead of having all of it go to the submarine company?—A. We endeavored to have a part of that appropriation of three millions.

Q. But you failed?—A. We failed.

Q. Do you know, then, how that appropriation was used?—A. Only by hearsay. I have seen in the papers that a large part of it was expended for certain submarines of the Electric Boat Company's type, and the balance of it, I believe, was reserved to go to the Lake Company's type, as testified to here yesterday.

Q. You were left out in the cold at that time?—A. Yes; I believe the reason stated was the fact that we did not have a working torpedo boat, we did not have a boat that discharged torpedoes.

Q. Now state what efforts, if any, have been made by yourself and your company, or by its attorneys, representatives, or agents, to secure favorable legislation this year.—A. After the Secretary of the Navy awarded those contracts and expended all that appropriation he stated, I believe—I don't know, because I did not see it—that he would recommend an appropriation for some of our boats.

Q. Do you know whether he did?—A. I believe he did. I was at the hearing before the House committee immediately after he had appeared before the House committee with his recommendation, and it was said there that he had. I don't know what from my own knowledge.

Q. Recommended your company by name?—A. I don't know the wording of his recommendation at all; I was not there.

Q. You said that you were present before the Naval Committee of the House of Representatives this year, I believe.—A. Yes, sir.

Q. What other members of your company were present, if any?—A. Mr. Pemberton was there. He was not a member of the company or connected in any way with the company; he was not at that time connected in any way with the company; he is now; he is a friend of a number of the stockholders and our treasurer, and went there by request to help out the technical men and myself.

Q. What relation does Mr. Pemberton sustain to the company now?—A. I can not testify exactly as to that; he is retained by the president. I was not there when he was retained.

Q. Is he a member of the bar, or constructor?—A. I do not know that. I believe not. He is here to testify; he can testify better than I on that. I do not know; I do not think he is.

Q. He was present?—A. He was present at that hearing. And then to complete my answer, Mr. Micou was there, our counsel.

Q. What is his full name?—A. Mr. Benjamin Micou.

Q. Anyone else representing your company in any way?—A. I can not recall anybody else. If you will allow me to ask Mr. Micou.

Mr. MICOU. Mr. Spear and two other technical men.

The WITNESS. Mr. Clinton Crane, our naval architect, was there, and Mr. W. I. Babcock also, our naval architect and vice-president

Mr. OLMSTED.

Q. Where does he live?—A. New York City.

Q. Where is the office of your company?—A. No. 17 State street, New York City.

Q. The gentlemen you have named besides Mr. Babcock——A. Clinton H. Crane.

Q. Is he an officer of the company?—A. He is not; he is a member of the firm of Thames, Lemoyne & Crane, naval architects.

Q. Was he representing your company in any way?—A. Not at all. He is under employment as naval architect; that is all.

Q. Have you now named all of your company who were present at the hearing?—A. I believe I have; I do not recall any others.

Q. Will you state when, about, that occurred, when that meeting occurred?—A. I think it was in the early part of February; I know that it was the day the Secretary of the Navy appeared before the committee.

Q. February of this year?—A. February of this year.

Q. Now state what occurred at the meeting.—A. I did not have anything to say at the hearing, as the questions which were asked were answered largely by Mr. Pemberton, questions relating to the boat. It was not a very long meeting; in fact, it was a hurried meeting, and it was purely on the value of the boat and its construction.

Q. Who addressed the committee on behalf of your company?—A. Mr. Pemberton, Mr. Babcock, and, I think, Mr. Micou.

Q. Was any amendment to the bill introduced at that meeting or any provision with reference to an appropriation?—A. I knew nothing about what was done to the bill.

Q. While you were there?—A. Nothing was discussed in regard to the bill; it was merely the boat discussed.

Q. Nothing said about an appropriation?—A. Nothing said about an appropriation that I recall. Of course it was known then to the attendance at the hearing, I might explain, a bill had been introduced for some of our boats.

Q. Who had asked for the hearing for your people?—A. I do not know that; I did not; I assume—well, I do not really, I do not know whether it was at the request of the Secretary of the Navy or a member of the committee or Mr. Pemberton. They could testify on that when they appear.

Q. Who asked you to go there?—A. Mr. Pemberton.

Q. Who introduced you to the committee?—A. Mr. Pemberton, as I recall it, to the committee as a whole.

Q. Did any of the members of the Naval Committee make remarks at that meeting?—A. Mr. Butler made some remarks, Captain Hobson made some remarks, Mr. Loudenslager, I believe, made some remarks, and they are the only members of the committee I know.

Q. Were their remarks friendly or unfriendly to your boat?—A. I do not think there was any unfriendliness; it was a case of investigating the merits of the boat. I do not know that there was any spirit of friendliness or unfriendliness; the committee desired to hear the facts.

Q. At that meeting, at least while you were there, you say there was no proposition, no amendment, offered to the bill or any proposition submitted?—A. I did not hear anything said about the bill at the meeting; it was purely a question of the merits of the boat.

Q. After the meeting did you have any talk with any members of the Naval Committee?—A. Immediately following the meeting I asked Captain Hobson, being a naval constructor and familiar with plans, he being a member of the committee, whether he would like to see our latest plans of our boat to show the details of it. He said he would like to, and I made an appointment with him the next morning and called there with the blueprints and explained to him the details of the boat in full.

Q. Where was that?—A. In his office in this building.

Q. Had you, prior to the meeting, a conversation with any of the members of the Naval Committee upon the subject?—A. Naval Committee of the House—no, sir.

Q. Did you, after the meeting, talk with any other members of the Naval Committee, except that one that you have named?—A. No, sir.

Q. What followed as a result of that hearing and your interview?—A. We were notified that a naval appropriation bill was reported, or was voted upon, containing an appropriation for some subsurface or semisubmerged boat, which is a general class of boat, in which our boat is presented.

Q. What was the amount?—A. Four hundred and forty-five thousand dollars, I believe.

Q. Do you know who suggested that precise amount?—A. I do not know; I presume it was done from our proposals to the Navy Department, made under the previous year's appropriation.

Q. What had you proposed to do for $445,000?—A. To build one seagoing, subsurface torpedo boat having a guaranteed speed of 22 knots and an estimated speed of 24 knots, for $400,000, and to build two small subsurface torpedo boats having guaranteed speed of 16 knots and an estimated speed of 17 knots, for $22,500 each.

Q. How did the members of the Naval Committee or any member know the amount of your bid?—A. I presume that they got that from the Navy Department; I don't know that.

Q. Have you or any officer or agent or representative of your company presented that to the Naval Committee or any member of the Naval Committee?—A. The amount of our bid?

Q. Yes.—A. Not that I know of.

Q. What amount did you suggest should go into the appropriation bill?—A. I never suggested any amount.

Q. Well, state what other efforts, if any, you made, in addition to those you have already stated, to secure that appropriation?—A. That is all.

Q. Then so far as you know the appearance of yourself and other representatives of your company before the Naval Committee and your interview with Captain Hobson succeeded in bringing about the appropriation?—A. Oh, well, I will not say that, because this was merely a continuation of the previous year's appropriation, which by a technicality had not been expended for our boats, and I understood was made in extenuation, you might say, for the failure to give us a part of the previous appropriation, which was intended for our boat.

Q. From whom did you understand that?—A. Merely gathered it from what was said by the Secretary of the Navy in his report, in the reasons he gave for one of the contracts as reported in the papers.

Q. State with what other members of the Naval Committee you are acquainted, if any.—A. I met Mr. Foss once, some six or seven years ago; presented him a letter of introduction.

Q. Who from?—A. Mr. Brandt, a classmate of mine at college. He was too busy to see me, and I have not seen him since, so I can not say I know him.

Q. With other members of the Naval Committee did you talk about this matter?—A. I have not talked to any other member of the present Naval Committee. In fact, I am not acquainted with any member of the Naval Committee of the House except Mr. Hobson, under the circumstances that I have already told you.

Q. Where did you first meet him?—A. Under formal presentation of this interest in our company to the Naval Committee at the date I have referred to, in February of this year.

Q. Who presented you to Captain Hobson?—A. Mr. Pemberton, as I have already testified.

Q. Your company had considerable correspondence with the Secretary of the Navy in your endeavors to secure a part of the appropriation of 1907, did it not?—A. We did; yes, sir.

Q. Did you yourself take part in that attempt to secure part of the appropriation instead of having it all go to the submarine company?—A. I took part in it. I can not recall just now whether all the letters were signed by me personally or by our vice-president.

Q. We have here a list furnished by the Secretary of the Navy of the letters and documents received by him on the subject which I will read: "Letter dated November 7, 1906, from Subsurface Torpedo Boat Company, requesting information relative to the action taken by the Department and by the board of officers appointed to report on subsurface and submarine torpedo boats." Do you remember whether or not you wrote that letter?—A. I could not recall that without seeing the letter. I can explain that by stating that some letters were written by Mr. Babcock, who is our technical man, and our vice-president, and some by me and some by our counsel, Herbert & Micou.

Q. The next item is "Memorandum of the Secretary of the Navy, inclosing a letter from Herbert & Micou, representing the Subsurface Torpedo Boat Company, relative to the tests of their model." Micou, I suppose, is the same Micou you have mentioned here?—A. Yes, sir.

Q. Who is the Herbert referred to?—A. Ex-Secretary of the Navy, Hilary A. Herbert.

Q. From what State does he come?—A. Alabama.

Q. The next item is a letter from the Subsurface Boat Company, dated April 22, 1907, requesting permission to consult with Lieut. Commander W. S. Smith concerning model test. Do you recall this letter?—A. I do not remember that letter.

Q. I will read the whole list:

Letter from Herbert & Micou requesting some days' extension of time for presenting model for test.

Letter from Herbert & Micou, dated May 11, 1907, requesting further extension of time for test of subsurface boat.

Telegram from C. L. Berger, president Subsurface Torpedo Boat Company, asking that delay in arrival of their boat be excused.

Letter from Herbert & Micou, dated May 25, 1907, requesting permission to file two alternative proposals.

Letter from Herbert & Micou, dated June 20, 1907, submitting plans for a 225-foot, 22-knot subsurface boat.

Letter from Herbert & Micou, dated June 27, 1907, in behalf of the Subsurface Torpedo Company.

Telegram from C. L. Burger, president Subsurface Torpedo Boat Company, requesting that Department withhold some part of the appropriation until a statement now being prepared can be submitted.

Letter from the Subsurface Torpedo Boat Company, dated September 27, also telegram dated September 25, 1907, requesting an opportunity to meet objections to expenditure of part of appropriation for subsurface boats.

Letter from the Subsurface Boat Company, dated October 12, 1907, relative to changes in boat to meet Department's approval.

Letter from the Subsurface Torpedo Boat Company, dated October 8, 1907, requesting that one large and five small boats be awarded them.

Right there I will ask you if those are the ones you have just mentioned?—A. Yes, sir.

Q. A total of $445,000?—A. Not five small boats. The $445,000 covers only two small boats and one large boat.

Q. Then you ask here, according to this letter, that one large and five small boats be awarded you?—A. That was under the previous appropriation of 1906 and 1907.

Q. That is what I am talking about.—A. What is your question?

Q. That is what I thought you were talking about when you mentioned the $445,000 bids. Under what bill were you bidding then?—A. We were bidding under the previous appropriation of 1906 and 1907.

Q. I call your attention to the fact that this statement of the Secretary of the Navy does not agree with the statement you have just made.—A. If you will allow me permission to correct—I have not made any incorrect statements knowingly.

Q. I simply want to get at the facts. I understood you to say that the amount of $445,000 inserted in the naval appropriation bill in 1908 was probably taken from your bids to the Navy Department?—A. Yes, sir.

Q. Then you state the boats for which you bid were from three to to four in number, but this letter states that you bid for a different number of boats, namely, one large and five small boats.—A. The reason of that is my statement meant that the prices from which that total amount was made up were taken from the prices named in our bids to the Navy Department, the prices being $22,500 each for the small boats and $400,000 for the large boat. I did not mean to say that the bids under the previous appropriation were for the same number of boats, but merely that the prices under which this amount was probably made up was taken from our proposals.

Q. What I want to get at is, who took them from the proposals?—A. I do not know.

Q. The proposals covered, then, more boats and more dollars?—A. Yes, sir; for more boats and more dollars.

Q. You do not know how the $445,000 item was reached in the appropriation bill?—A. As I have stated, I assumed it was reached from the cost of one large boat and two small boats, instead of five or more, which we bid for. We bid for any number of small boats in our proposals. We bid for twenty, my recollection is. The way that bid was worded was one or more at a certain price, so the bid was for not any definite number of boats.

Q. What I was trying to get at is, whether the Naval Committee itself took the trouble to go over your bids, and the Navy Department, or whether somebody suggested it to them?—A. It may have been suggested to them by the wording of a bill which was introduced by Mr. Littlefield. He introduced a bill for our boat, and that bill was made the basis for a hearing.

Q. Who introduced it?—A. Mr. Littlefield, of Maine.

Q. In Congress, in this present Congress?—A. In order to give us a basis for a hearing before the Naval Committee we understood a bill had to be introduced.

Q. At whose request was it offered?—A. I think it was made at the request of Mr. Pemberton. I do not know as it came from Mr. Pemberton directly.

Q. By whom was the bill drawn?—A. The wording of the bill was probably drawn up by several of us in consultation; I mean our counsel, Herbert & Micou, and I may have—I have forgotten whether I took part or suggested any wording for the bill.

Q. It was drawn by some of the officials——A. By some one connected with the company.

Q. That is where the $445,000 came from?—A. I do not say, for I do not know what the amount was in that bill, whether that bill was for the same amount as this present appropriation. I have forgotten. The bill was merely a formal matter as a basis for a hearing by the Naval Committee, and I have not committed to memory whether the amount was the same in that bill. Mr. Herbert and Mr. Micou would be competent, I think, to testify to that.

Q. My inquiry was to ascertain where the figures $445,000 came from. Who suggested them to the Naval Committee, or whether they were evolved from the inner consciousness of the committee.—A. I have testified as best I can. If I saw a copy of that bill I could tell whether it came from us.

Q. You just stated that a certain member of the Naval Committee, Captain Hobson, made the proposition or amendment, or whatever it was, for $445,000. Who gave him the figures?—A. I did not testify that Captain Hobson made that amendment; I do not know anything about that.

Q. Perhaps I got it from the record which is before me. I simply asked, did you suggest any particular figures to Captain Hobson?—A. I did not.

Q. Or to the Naval Committee at that hearing?—A. I did not.

Q. The next item is:

Letter from the Subsurface Torpedo Boat Company, dated October 8, 1907, requesting that one large and five small boats be awarded them.

Letter from the Subsurface Torpedo Boat Company, dated October 31, 1908, making further suggestions in connection with construction of subsurface boats.

Letter from F. R. Pemberton, dated October 24, 1907, explains erroneous statement based in former letter re report of trial board.

Letter from Subsurface Torpedo Boat Company, dated January 9, 1908, requesting further consideration for their proposal for construction of small subsurface boat.

That is probably not October 31, 1908. It probably should be 1907.

Letter from Herbert & Micou, dated September 19, 1907, inclosing a copy of a letter addressed to the chairman of the Committee on Naval Affairs of the Senate, relative to the apparent omission from the act extending the time for the tests of submarine boats of any provision for the testing of subsurface boats.

Subsurface Torpedo Boat Company requests a hearing before award of contract for submarine boats.

Herbert & Micou forward two printed copies of letters re awarding half of appropriation made by Congress for the construction of submarine boats to their company for the building of subsurface boats.

That correspondence and everything that is there referred to in the statement of the Secretary of the Navy had reference to the appropriation of 1907 and your attempts to secure a part of that appropriation?—A. Yes, sir.

Q. You sought, it seems, to secure half of it?—A. That was our original request.

Q. This voluminous correspondence was for the business interest of the company, as you understood it?—A. Yes, sir.

Q. Now I read to you from the minutes of the full Committee on Naval Affairs of the House of Representatives on the subject of submarines, Monday, February 10, 1908, this extract:

The following motion was made by Mr. Hobson:

"The Secretary of the Navy is hereby authorized, in his discretion, to contract for or purchase one destroyer or torpedo boat of the type known as sub-

surface, semisubmerged (or the like), the essential feature of which is to have during its operation some portion of the hull or superstructure always on or above the surface, such vessel to cost not to exceed $400,000, and to have a speed not less than 22 knots; also for for two small vessels of like type having a speed of not less than 16 knots and to cost not to exceed $22,500 each: *Provided*, That before any vessel of the type provided for in this paragraph shall be purchased or contracted for a vessel of such type shall have been constructed complete and of full size for naval warfare and submitted to the Navy Department for such trial and tests as the Secretary of the Navy may, in his discretion, prescribe, and as the result of such tests, be demonstrated to have fulfilled all the reasonable requirements of naval warfare for a vessel of its class, and for these vessels the sum of $445,000 is hereby appropriated to be available until expended."

The motion was carried that the motion of Mr. Hobson be divided so that a vote be taken on the one large vessel alone and the two smaller vessels combined, but separate from the larger vessel. The vote on the larger vessel mentioned in the motion of Mr. Hobson was recorded as follows:

In the affirmative: Messrs. Loudenslager, Butler, Mudd, Bates, Lilley, Dawson, Hobson—7.

In the negative: Messrs. Foss, Roberts, Thomas, Padgett, Gregg, Lamar—6.

The motion was recorded as carried.

The vote on the two smaller vessels mentioned in the motion by Mr. Hobson was recorded as follows:

In the affirmative: Messrs. Foss, Loudenslager, Butler, Mudd, Roberts, Thomas, Dawson, Padgett, Gregg, Lamar, Hobson—11.

In the negative: None.

Present and not voting: Messrs. Bates, Lilley—2.

I ask if that appropriation was intended for your company?—A. That would involve a construction of the law.

Q. Did you expect to furnish those boats and get that appropriation if the law passed?—A. We hoped to; yes.

Q. Who drew that proposition?—A. I have not the slightest idea. Probably Mr. Hobson, but I know nothing about it at all.

Q. I thought you just said it was the substance of the bill that had already been offered by the gentleman from Maine?—A. Not the substance of the bill. The bill offered by Mr. Littlefield might have contained the same amount, $445,000, but it was not worded like that at all.

Q. Do you know who gave this paragraph to any member of the Naval Committee and asked him to offer it?—A. I do not. I am very positive nobody gave that paragraph to the Naval Committee, but I can not testify as to my own knowledge of that, but I am very positive that nobody did. They did not, to my knowledge.

Q. State whether this hearing of the committee you attended was a public hearing.—A. A public hearing of the committee.

Q. The correspondence is all on file in the Department?—A. Yes, sir.

Q. It is a public and open correspondence?—A. Yes, sir.

Q. State whether or not you considered any of the methods used by your company in its attempt to secure a part of the appropriation of 1906 and 1907 or to secure legislation in 1908 as corrupt or improper.—A. I certainly did not. I think the record speaks for itself upon that subject.

The CHAIRMAN. Is there any other member of the committee who desires to ask this witness any questions? Any Member of the House present who desires to ask this witness any questions? Is there anyone else present, either in person or by counsel, who desires to ask this witness any questions?

I will state that this witness was called at his own request at the beginning of the session to-day, in order that he might be excused when his testimony was completed.

Mr. OLMSTED. I want to ask one more question—whether there is any other company making subsurface boats?

The WITNESS. Not with our consent or knowledge.

By Mr. OLMSTED:

Q. You mean that you hold the patents?—A. We hold the patent on the subsurface boat.

Q. The exclusive patents?—A. Yes, sir.

Q. And this provision if passed will be exclusive as to your boats, will it not?—A. I believe not. The wording of the bill, you will see, refers to semisubmerged boats as well as subsurface boats; whether those words are alternative I do not know.

Q. Are your boats partly submerged?—A. Our boat might be called a semisubmerged boat.

Q. Then, that fits your boat? That is the object of the amendment?—A. I think that is the object of the bill.

Q. You expect to get the appropriation?—A. We hope so.

Q. You expect it, don't you?—A. If the bill passes, yes; I should expect to.

TESTIMONY OF FRANK L. EDINBOROUGH.

FRANK L. EDINBOROUGH, being first duly sworn, on being examined, testified as follows:

The CHAIRMAN. I will ask Mr. Howard to examine Mr. Edinborough.

By Mr. HOWARD:

Q. What is your name?—A. Frank L. Edinborough.

Q. Where do you live?—A. Bay City, Mich.

Q. What is your age?—A. Thirty-three.

Q. Your occupation?—A. Attorney.

Q. Where?—A. Bay City.

Q. Do you know Congressman Loud?—A. I do.

Q. How long have you known him?—A. I think I met Mr. Loud for the first time during his candidacy for nomination, probably the day he was first nominated.

Q. Where?—A. At Bay City.

Q. Were you ever in his service?—A. I was.

Q. How?—A. As private secretary.

Q. For how long?—A. Beginning with his first entrance into Congress and continuing during the session of two years ago.

Q. Continuing during the session?—A. During the session two years ago. Last winter was the first winter I was not with him here.

Q. How did your connection with him end, why?—A. I became a candidate for the nomination for the State senate from the district in which I lived in Michigan, and during my candidacy for nomination I tendered my resignation, and then during the campaign for election after my nomination our relations ceased so far as my employment by him was concerned.

Q. Was that voluntary on your part?—A. Yes, sir.

Q. What is the state of your feelings?—A. We have always been personally friendly.

Q. Is that true of your present state of feelings?—A. Yes. Mr. Loud and I are personal friends. I might state that at the present time I am a candidate for the Republican nomination for Congress in the same district, but that in no way interferes with our personal relations, which have always been pleasant.

Q. Is this the first time you have become a candidate for Congress?—A. Yes, sir.

Q. How long have you been a candidate?—A. In a formal way, I might say since January 1, the day that I made the announcement of my candidacy, but it had been talked of for a number of months prior to that. As early as late in the winter of a year ago or early spring, while the legislature was in session in Michigan, my name was first mentioned, but at that time I was not a candidate, and was not a formal candidate until January this year.

Q. Was your candidacy suggested by anybody connected with the Holland or Electric Boat Company?—A. No, sir.

Q. Do you know how your candidacy came to be suggested?—A. You are speaking of my candidacy for Congressional nomination?

Q. Yes; that is the important part of it.—A. Just in a natural way, that you might expect in politics. I was a member of the State senate, and my friends apparently were pleased with the attitude I was taking in reference to matters of State legislation and felt that I was in line for promotion, and being desirous of advancing my interests, they caused a good deal of talk to be made in different parts of the district, especially in Bay County, in reference to my becoming a candidate.

Q. Were your friends numerous?—A. That may be somewhat of an embarrassing question to answer.

Q. I do not mean to embarrass you at all. I understand there is a delicacy that goes with this question.—A. To be candid, I believe I have a number of friends.

Q. I am perfectly willing to make plain to you the purpose of the question. It has gotten into this investigation that your candidacy for Congress was suggested by, and in the interests of, the Electric Boat Company, not in good faith, for the purpose of securing your election, but for the purpose of coercing Mr. Loud as a Member of Congress and a member of the Naval Committee to vote in favor of their interests. That is the purpose of my question. Now, were your friends numerous?—A. Yes. I might state that this is the first time I ever heard that story of the cause of my being a candidate. I thought the question in relation to that matter related to another person entirely.

Q. There is nothing so gratifying as your innocence. Do you know W. D. Gordon?—A. Yes, sir.

Q. Do you know of his candidacy for Congress in that same district, or anything about it, whether as a matter of fact he was ever a candidate for Congress?—A. I never knew of him to make a formal announcement of his candidacy, but I have known of his name being suggested at different times as a probable candidate.

Q. Do you know who suggested it?—A. No, sir.

Q. Do you know how it ended? Did he ever make a formal announcement?—A. No, sir.

Q. Do you know of any reason why he did not make a formal announcement?—A. No, sir; I can not say that I do.

Q. Do you know whether his candidacy was being suggested by the Electric Boat Company or the Holland Boat Company?—A. No, sir.

Q. Do you know of any fact or circumstance that would lead you to the conclusion that his candidacy was at their suggestion and in their interest?—A. Why, I can not say that I have any actual knowldege. I might possibly have a suspicion, but I have no actual knowledge.

Q. You have a suspicion. Did you ever make mention of that suspicion?—A. Well, no, sir; I never made any mention of it that I know of.

Q. I call your attention to this:

BAY CITY, MICH., *February, 22.*

"I have never met Congressman Lilley, who is pushing the investigation at Washington into the manner in which the Holland submarine boat people were favored in the report of Congressman George A. Loud's committee," said State Senator Frank L. Edinborough this morning. "I have furnished Mr. Lilley with no information whatever. This matter of the 1908 report comes after my connection with Loud has been severed. If the investigation were to go back into events of 1906, I could tell something. I remember well Loud's complaint of what he called Gordon's persistent annoyance with regard to contracts for the Holland people. When Loud says he doesn't know that Gordon was lobbying for the Holland concern he puts himself in a peculiar light, in view of his own statements as to Gordon."

Do you remember making that statement?—A. May I ask what paper that is from?

Q. The Detroit News, of Detroit, Mich., February 22, 1908.—A. I may possibly have given that interview. I presume I did.

Q. You presume you did?—A. Yes. They have two reporters in Bay City; I do not know which one I said it to. I presume that is in substance what I told them.

Q. Now, then, the question I ask you is, What is it that you know to which you allude in this interview that has a tendency to show that Gordon was pressing on Loud or interested in the Holland Boat Company?—A. I think I shall refuse to answer that question on the ground that I was private secretary for Mr. Loud.

Q. Have you had any consultation with Mr. Loud or anybody advising you that that was the answer you should give to this question?—A. I have not seen Mr. Loud until I saw him this morning, and we just spoke pleasantly, was all. I thought the matter over, and I thought that would be the most advisable course for me to pursue.

Q. You have changed your opinion about that since you gave this interview.

Representative LOUD. I will release Mr. Edinborough from any delicacy he may have or reticence in the matter. He can go into any matters he knows of.

The CHAIRMAN. The clerk will note the suggestion made by Representative Loud, of Michigan.

By Mr. HOWARD:

Q. Now I repeat the question.—A. Does the committee request me to answer *that question?*

Q. Just what you know of your own knowledege about Mr. Gordon's lobbying for the Holland boat concern with Mr. Loud. That is the language used here:

When Loud says he doesn't know that Gordon was lobbying for the Holland concern, he puts himself in a peculiar light, in view of his own statements as to Gordon.

Now, I ask you what of your own knowledge you know those statements to be or of your own knowledge you know the relations between Mr. Loud and Mr. Gordon with respect to the interests of the Holland Boat Company?—A. In view of what has just taken place, I think there is nothing for me to do but to tell.

In the early part, I think it was, of the year 1906 it appears that Mr. W. D. Gordon, of Midland, Mich., was in the employ of the submarine boat company as a lobbyist, and from what Mr. Loud told me in my room at the Dewey Hotel he led me to believe that he was greatly annoyed and angered at the way that Mr. Gordon was imposing upon him in his efforts in this matter. Mr. Gordon, it seems, came to Washington and apparently was desirous of having Mr. Loud assist him, and I remember very well, indeed, Mr. Loud complained very bitterly of the treatment that was accorded him by Mr. Gordon.

Q. Now, then, will you repeat as near as you can the first conversation that Mr. Loud had with you on this subject? What was it that Mr. Loud said from which you drew the inference that you just stated?—A. Well, I remember his coming into my room and showing by his demeanor and by the manner in which he spoke that he was—that he was disgusted with the way that Mr. Gordon was bearing down upon him. But as to the exact language he used I could not give it, because it is now probably over two years ago, and I made no effort to attempt to remember the exact language or what he said. But I do remember distinctly the circumstances, and I remember that Mr. Loud was greatly displeased.

Q. You recall no words at all?—A. No, sir; except that he said and showed that he was greatly annoyed and felt that Mr. Gordon was imposing upon him.

Q. Did he say how?—A. No, sir.

Q. Did he indicate in any way what the imposition consisted in?—A. He did not go into details with me.

Q. Did he use the word "imposition?" Did he say that he was being imposed upon?—A. My recollection is that he used the word "impose."

Q. What other words in connection with it that indicated how or for what purpose on Gordon's part?—A. As I say, he did not go into the exact details of the matter except that he showed great annoyance; he showed what I might term a feeling of bitterness from the way and the manner in which Mr. Gordon was imposing upon him. But he did not tell me what the particular thing was that he was holding over him. I do not know what it was.

Q. Did he tell the purpose for which he was holding any particular thing over him?—A. My only knowledge of it was that it was in reference to the submarine matter.

Q. How did you get that knowledge? Did you get that from Mr. Loud?—A. Yes, sir; at the time of this conversation.

Q. At the time of this conversation?—A. Yes, sir.

Q. Let us get that.—A. As I told you, I do not know. Mr. Loud did not tell me what it was.

Q. How did you get the impression it was the submarine matter?—A. Because that is what Mr. Gordon was there for, and Mr. Loud was thinking about that, but he did not say in what particular manner or in what particular way——

Q. Did Mr. Loud tell you Mr. Gordon was there for submarine matters?—A. Why, I understood from Mr. Loud's conversation that he was. I have known that all along——

Q. What part of his conversation, or what expression in his conversation justified you in the conclusion that it was submarine matters Mr. Gordon was there for?—A. From what Mr. Loud said.

Q. Just what was it he said?—A. I tell you I can not remember the exact conversation, because it happened two years or a little more ago.

Q. If you will, give the substance of it. For instance, will you say that Mr. Loud said there specifically in substance that Gordon was annoying him on account of the submarine matter?—A. I would say it was in reference to the submarine matter, but as to giving the exact conversation it is an absolute impossibility.

Q. Will you say that Mr. Loud himself said it was the submarine matter? Or did you draw that from any other information you had?—A. My recollection is it was in reference to this matter, and to no other matter, because that is what Mr. Gordon was in Washington for. It could not have been any other matter.

Q. Did Mr. Loud say that?—A. Yes, sir.

Q. He did?—A. Yes, sir; in reference to the submarine boat matter.

Q. You remember that now?—A. Well, I told you I remembered the instance, but I could not tell you the particular conversation.

Q. You now remember that part of the particular conversation?—A. I remember that, because I could not have stated what I stated in the first place if I did not know it was about the submarines.

Q. I was undertaking to ascertain how much you had gathered from Mr. Loud's words and how much you had from positive information, and how much of it you inferred from his gesticulation and manner, about which you have testified. We want to get both combined.—A. I have given you my very best recollection in reference to the matter.

Q. How many times did Mr. Loud make such complaints in your presence?—A. I only recall this once.

Q. Just one time?—A. Yes, sir.

Q. Never repeated it after that?—A. To me?

Q. Yes.—A. No, sir; I do not recollect that he did.

Q. Did anything ever occur after that conversation in the same connection between you and Mr. Loud?—A. Showing his displeasure?

Q. Showing his displeasure at Mr. Gordon?—A. I do not recall anything further.

Q. One occasion?—A. Yes, sir.

Q. That meager conversation——A. You can call it meager, if you want to.

Q. You have made it so.—A. I have not made it so. It was not a lengthy conversation, but it was enough to convince a man with an

ounce of brains as to what his intention was and what he intended to convey. I would be an idiot if I did not know what he meant.

Q. If you will tell the committee now all that you remember, using the same brain to recall that you have to draw inferences, then the committee will be in a position to judge.——A. There are a great many incidents in your life, as well as in every other man's life, that he can not give the details of, but he knows the conclusions, and he knows in a general way what took place.

Q. That ought to control a man in offering himself as a witness in Congress?—A. Yes, sir.

Q. Considerations as to how clearly he remembers and how far he fails to remember ought to control his willingness as to being a witness.—A. I did not keep track of what Mr. Loud said. I remember the incident, and I remember distinctly, and the fact that it is a little over two years ago probably would lead any man to understand that I could not remember the exact language used. I think a man's demeanor and his actions at the time, connected with what little he might say, is as strong an indication as a person could ask for. If a man shows a feeling, to my opinion, that is worth something.

Q. Let me repeat this: "When Loud says he doesn't know that Gordon was lobbying for the Holland concern, he puts himself in a peculiar light in view of his own statements as to Gordon." What you have related, the only occasion when Loud made use of language to you that led to the conclusion that you have testified, is that the foundation for your statement?—A. Let me state further that Mr. Loud was reported in one or two Detroit papers as having said he did not know what Mr. Gordon's business in Washington was; and Mr. Loud referred to my candidacy in a slighting way, said he did not think I possessed much power, and I replied to the interview in the Detroit Free Press, and whatever was said there was simply brought out by Mr. Loud's referring in a slighting manner to my candidacy, which I was rather sensitive over.

Q. Then this interview is the result of resentment on your part?—A. It was not. It was before Mr. Loud's interview in the Detroit Free Press to which I referred.

Q. Before any interview of Mr. Loud's interview in the Free Press or any other paper?—A. Possibly I may be mistaken as to that. I had a longer interview in the Detroit Free Press. That article is from the Journal, do you say?

Q. This article is from the Detroit News.—A. Well, I can not just now tell the exact date of that Free Press interview. Mr. Loud's appeared on a Saturday and my reply was in the next day, Sunday.

Q. Did Mr. Loud ever tell you that Mr. Gordon was in Washington lobbying for the Electric Boat or the Holland Company?—A. Well, sir, I do not know that he used the word "lobbying."

Q. What was it he used?—A. He gave me to understand that that was what he was here for.

Q. What did he say?—A. As I told you, I can not give you the exact conversation. I don't think anybody could. I did not charge my memory with the exact conversation, but the fact of the conversation and Mr. Loud's demeanor at the time is well remembered.

Q. And you remember no words, you remember no circumstances *from* which you draw this statement that Gordon was in Washington

lobbying for the Holland Boat Company, as coming from Mr. Loud?—A. If you want to make my testimony appear that way, but I have already told you the best I could. Now, the only inference——

Q. My sole purpose is, as far as possible, to elicitate every fact within your knowledge which would tend to justify the conclusion you have drawn.—A. I have given you the very best recollection I have; it was in reference to the submarine matter; it was in reference to Mr. Gordon; it was in reference to Mr. Gordon's bearing down on Mr. Loud and Mr. Loud's resentment at the way Mr. Gordon was imposing upon him. Now, I can not give you the exact words.

Q. And you can not give any additional facts or circumstance in connection with that?—A. On that conversation?

Q. Yes; or any other conversation on this subject between you and Mr. Loud.—A. Well, my statement there is based upon the fact that Mr. Loud had denied he knew what Mr. Gordon's business in Washington was.

Q. And you stated——A. That he did know.

Q. And you state that from these circumstances you have related what he said to you?—A. Why, certainly.

Q. And you have stated all there is of that?—A. Of that occasion.

Q. Was there any other conversation bearing upon the same subject?—A. I recall that when the Naval Affairs Committee concluded its work upon the submarine matter that Mr. Loud was pleased over the outcome and was anxious that Mr. Gordon should know the part he had in bringing the matter about.

Q. What year was that?—A. That was the same year.

Q. How did he manifest his pleasure and anxiety?—A. Why, by expressing himself in that way.

Q. Who to?—A. To me.

Q. What did he say?—A. My recollection is that he sent him word either by letter or telegram; that is my impression.

Q. Did you see the letter or the telegram?—A. Well, I can not testify as to that.

Q. How did you know it then, what is the source of your information?—A. I am under the impression that a letter was written, although I can not testify for certain about it.

Q. Did you write it?—A. If it was written, I presume I wrote it, but I am not exactly clear as to just the exact facts as to the writing of a letter.

Q. Are you in doubt as to whether it was a letter or a telegram?—A. Well, I do not think I can state which it was, but I know that Mr. Loud was anxious to communicate——

Q. Whether it was a letter or a telegram, will you give the substance of it?—A. I can not do that.

Q. Can you give any part of it?—A. It is impossible for a man writing hundreds and thousands of letters to give the exact language in a letter or telegram in the unique work of the office.

Q. You remember the fact that either a letter or a telegram was written and sent?—A. That is my recollection. I know Mr. Loud spoke as if he wanted Mr. Gordon to know that this matter was brought about favorably.

Q. Brought about favorably?—A. Yes. I do not know what it was, because I was not acquainted with the work of the Naval Affairs Committee.

Q. Did the letter or the telegram give any details of how it was accomplished?—A. Well, sir, as I told you, I can not just remember how the communication was sent, whether it was a letter or a telegram, but I know of Mr. Loud's interest in wanting Mr. Gordon to know the actual facts.

Q. Did the letter or telegram give the result of what was accomplished?—A. My best recollection of the matter is that a short letter was sent showing the final action of the committee.

Q. What did it say? Upon what subject?—A. I can not tell you exactly the language of the letter. It is impossible for me to remember, but I know that the matter, as I understood, was favorably compromised.

Q. Favorably compromised?—A. Yes.

Q. What matter had been compromised?—A. I believe in reference to the submarine legislation.

Q. Compromised where?—A. I understood it was in the Committee on Naval Affairs.

Q. Compromised how?—A. I can not tell, because I was not acquainted with the affairs of the committee in any way.

Q. Are you prepared to say, then, that the impression that Mr. Loud created on your mind in the information he desired to convey to Mr. Gordon was an improper act?—A. I would not say so.

Q. There was nothing improper in the communication he desired or attempted to give?—A. No, sir; I did not so consider it.

Q. Do you know anything from your knowledge and recollection of it?—A. Well, I have given you my very best recollection of the matter. I can not remember the exact date; my recollection is, though, that I wrote a short letter to Mr. Gordon.

Q. Nothing in that improper about it, as you remember it?—A. That is my recollection of it, sir.

Q. That is all I can go by; what you know about it. Now, is there any other letter, telegram, or any other conversation, any other act, within your knowledge, tending to show what, if any, communication Mr. Loud, as a Member of Congress Naval Affairs Committee, had with Mr. Gordon as a representative of the Holland or Electric Boat Company?—A. Well, I have a recollection of Mr. Gordon writing several letters in reference to it, but, as I recollect them, there was not anything improper in the letters; but I have a recollection of his writing to Mr. Loud a short communication in reference to it. I do not remember that they were lengthy at all.

Q. Do you remember the nature of them?—A. No, sir. They were some short letters; I think he wrote probably several of them.

Q. Do you remember when?—A. It was along about that same time of the year.

Q. Do you remember any of the suggestions contained in any of the letters?—A. Well, it was along the line that there would be favorable action taken by the committee, or something of that sort.

Q. From anything that you remember, do you recall anything that you considered then improper?—A. No, sir; the only thing that I can remember that appeared improper was the impression left upon me by Mr. Loud's statement to me in my room at the Dewey Hotel, when I learned that Mr. Gordon was imposing upon him, and I did *not* believe it was right for Mr. Gordon to attempt those kind of *methods*.

Q. That is the only improper thing you recall?—A. Yes, sir.

Q. And that was from Mr. Loud's statement, which you can not remember?—A. Yes.

Q. And that was from Mr. Loud's manner, which you do remember?—A. It was my conclusion right after he had left Mr. Gordon. I imagined it was from the temper he displayed at the time. It appeared to me as though enough time had not elapsed to have the ill feeling wear off about the matter in which he was imposed upon; he seemed angry about it.

Q. Where was it you imagined he had the conversation with Mr. Gordon?—A. I do not know whether it was down the street or at the hotel. Mr. Gordon used to come to the Dewey Hotel sometimes when he was in the city.

Q. Do you know whether this was one of the times when he was there?—A. My understanding was that he was there at the time.

Q. How did you understand that?—A. Just from what Mr. Loud said.

Q. Did Mr. Loud say that he had just left him?—A. No, sir; but I am very certain that Mr. Gordon was in the city at that time, because I think he was up at the Dewey Hotel.

Q. When?—A. At the time I mentioned. The exact time?

Q. Yes.—A. I do not know; I was in my room at work. I think when Mr. Loud came back from the session of the House he ran into my room, as he often did.

Q. Can you tell from the degree or radius of heat how long it had been since he was in contact with the hot object? What do you know of his caloric properties, anyway? Let us go into that.—A. I have heard of such a thing as cooling time.

Q. He had not had time?—A. But this is not murder. Mr. Loud was angry and disgusted with Mr. Gordon's imposition on him.

Q. Is there anything else you want to state about it? How did you arrive at this impression?—A. In reference to those conversations?

Q. That is what we are at.—A. I do not think of anything further; I do not recall anything now.

Q. Think of nothing else that you desire to say?—A. I do not think of anything now.

Q. Is there anything else that you think ought to be said that you derived from your knowledge, that you think would throw light on the subject-matter of this investigation?—A. Well, I think there is a natural conclusion to draw. Mr. Gordon was an attorney in Midland, and Mr. Loud was the only member of the Naval Affairs Committee of the House from Michigan, and it would be quite natural for Mr. Gordon, if he had any business in Washington with legislation and the only member on the committee was his personal Congressman, that he would say something to him about it.

Q. Now, do you think that that is improper?—A. I do not think it is improper, sir, as long as proper methods are used.

Q. What would be improper methods under the circumstances?—A. Well, I might mention an infinity of circumstances that might be considered improper.

Q. You are doubtless hopeful that you will be elected to Congress, and if you are you will doubtless be confronted with some similar circumstances, and you will doubtless determine where you will stop and draw the line?—A. I have been up against all those

propositions in the State senate, probably as severely as the average Member of Congress is up against them.

Q. Now, where do you draw the line talking to a constituent about legislative matters?—A. I did not draw the line talking to him.

Q. Talking to you?—A. I surely draw the line on a lobbyist trying to impose upon a Member from his district. I think Mr. Loud had a right to get angry.

Q. What are the acts you class as impositions from a lobbyist?—A. Well, I would say that in this case that strong hints that political opposition to Mr. Loud's interests would be highly improper; I would consider it so.

Q. Now, do you mean to say that you have knowledge of what Mr. Gordon hinted to Loud that he would have opposition and that those hints were made to coerce him against his will to do something to get legislation in the interests of Gordon's employer?—A. No, sir; I do not say, as I told you before.

Q. Then what is the significance of your observation in this connection?—A. Because you asked me to enumerate.

Q. Do you mean that there were any hints?—A. I do not know; I have no knowledge that there were.

Q. Then that does not apply to the actual condition?—A. No, sir; but you asked me the question as to what I would consider improper methods for a lobbyist to use. I would consider that to be highly improper and I would be greatly insulted—as Mr. Loud was—and indignant if a man would hold a club over my head in any such way.

Q. Did Mr. Loud tell you that he was insulted?—A. He did not say he was insulted.

Q. Did he tell you that he was indignant?—A. His manner showed it.

Q. Downstairs?—A. In my room.

Q. You don't know what he did downstairs?—A. No, sir. Mr. Gordon is baldheaded, so he could not snatch him baldheaded.

Q. That was not the only end of him he could reach—the vulnerable part of some people is in their feet.

The CHAIRMAN. Does any other member of the committee desire to ask this witness any questions?

By Mr. OLMSTED:

Q. Mr. Edinborough, are you a stenographer?—A. Yes, sir.

Q. When you were a private secretary to Mr. Loud was it his custom to dictate his letters to you or to tell you the substance of what he wanted written?—A. Both.

Q. Which method was pursued in this matter of the letter you wrote or imagined you wrote to Mr. Gordon?—A. I would not be able to say, sir. A great many letters I wrote myself, and others Mr. Loud would indicate what he wanted said, and others he would dictate; I would not be able to say.

Q. If any such letter was written—you are not positive that any such letter was written?—A. I gave my best recollection that it was.

Q. You do not remember whether you wrote it or whether it was dictated to you by Mr. Loud?—A. Well, Mr. Loud's custom on the most important matters was to dictate them himself.

Q. Did he do it in this case?—A. Well, sir, I would not be able to say; it would be a human impossibility.

Q. How long ago was that?—A. A little over two years ago, I should think.

Q. I call your attention to the fact that in your interview with the newspaper men you say, "I remember well now." Why is it you do not remember as well to-day?—A. What is it I say I remember well?

Q. "I remember well Loud's complaint at what he called Gordon's persistent annoyance in regard to contracts of the Holland people."—A. Well, sir, I remember Mr. Loud's complaint; I would not be able to give the exact date of it; I am not able to tell the exact conversation, but I remember the incident and remember the incident well, but I did not charge my memory with that conversation.

Q. Then you do not remember well?—A. I do certainly remember the incident well.

Q. But none of the language, none of the circumstances except the incident?—A. I remember Mr. Loud's complaint. I remember he complained bitterly of Mr. Gordon's treatment of him in reference to this matter. I remember Mr. Loud's indignation and annoyance.

Q. You do not remember what he said?—A. I do not remember the exact language of what he said. I have already given you the gist of the matter of what he said.

Q. You occupied the confidential relation of secretary to Mr. Loud, as a Member of Congress?—A. Yes, sir.

Q. When you were called here to-day you indicated a natural delicacy about testifying anything that occurred between you and him?—A. Yes, sir; I would not have been here to-day only for the fact that I had to come.

Q. You would not have come voluntarily?—A. No, sir.

Q. I believe that. When did that delicate question of privilege, or sense of delicacy, when did that occur to you first?—A. Well, I do not think I am down here to get roasted.

Q. You are here to answer questions, sir.—A. I think that is meant in a roasting way.

Q. Well, your imagination may give itself full play, but kindly answer the question.—A. I think that is a question I can not answer, sir.

Q. How long before you took the stand had you determined to decline on the ground of privilege and confidential relation?—A. Well, when the matter was first mentioned in the newspapers.

Q. Did your sense of delicacy and your oppression by the sense of confidential relations existing between you, did that bear down heavily upon you when you gave this report to the newspapers?—A. As I said, Mr. Loud gave a slighting interview in reference to my candidacy which I took exception to. I had remained perfectly quiet to the newspapers up to that time.

Q. Then your indignation had never allowed you to violate that secrecy which you thought ought to be maintained between a Congressman and a secretary?—A. Let me state I was called up at my home by a representative of the local Bay City paper on a Saturday morning.

Q. Doesn't the confidential relation continue over Saturday?—A. You will let me finish my sentence, I hope.

Q. Certainly.—A. What I was about to say is that I was called up by a representative of one of our local papers in Bay City and asked in reference to the dispatch from Washington that I was to be

defeated. That was some time ago, a year ago, a very short little interview and avoided mentioning Mr. Loud's name. I later in the forenoon read of Mr. Loud's interview from Washington in the Free Press, I think it was the Free Press, some Detroit paper, in which he referred rather lightly and slightingly to me, and whatever I said grew out of that. I thought that I should protect myself; if Mr. Loud did not see fit to observe the courtesies, I did not see why I should.

Q. Had Mr. Loud in any way violated any confidences between him and yourself?—A. I do not know we had any.

Q. I thought you mentioned something when you took the stand this morning of a confidential relation between you?—A. There was nothing on my side that I knew.

Q. Now, you said in this newspaper interview, "If this investigation were to go back into events of 1906, I could tell something." You meant to be understood as saying you could tell something that occurred within your knowledge as secretary to Congressman Loud, did you not?—A. Yes; that was the idea of the interview.

Q. And you also said: "When Loud says he does not know that Gordon was lobbying for the Holland concern he puts himself in a peculiar light, in view of his own statement as to Gordon." Then you refer to statements which he made to you while you were his secretary?—A. Mr. Loud's statement in the press that he did not know what Mr. Gordon's business was?

Q. You said when he said that he put himself in a peculiar light, in view of his own statements as to Gordon. There you intended to imply statements to you while you were his secretary, did you not?—A. I have not the full interview that was recorded in the Detroit paper in mind as to what Mr. Loud said about Mr. Gordon. There was more to it than the mere fact that he did not know what Mr. Gordon's business was. The interview also went on to state that other members of the Michigan delegation——

Q. I do not care about your newspaper item; I want to get at this now.—A. I was just giving a little more of that interview.

Q. In other words, after this interview, as you have already admitted, you disregarded the confidential relation between Mr. Loud and yourself as his secretary. Now, why did you seek, when you came here on the witness stand this morning, to renew that confidential relation?—A. Well, sir, I felt that this was an investigation where witnesses were put under oath and a record was made of happenings of events. I had no idea what the committee would do; whether they would compel me to testify or not; I did not know what the procedure would be.

Q. But you are perfectly willing to testify in the newspapers in Mr. Loud's own district in behalf of your candidacy and in opposition of his own, not under oath.—A. As I told you before, I would not have given that interview if Mr. Loud had not referred to me in what I term a very slighting way.

Q. If you had not been a candidate for Congress, this interview never would have taken place, would it?—A. I do not know, sir; because I remember that my name was connected with the report of the proposed investigation almost as soon as it came out. The Washington dispatches mentioned my name, if I am not mistaken, the Washington dispatches to our home papers, and it was the first that I knew

that any such thing was under way, and I was at a loss to know how my name was being mentioned in Washington as a possible or probable witness; but after receiving a memorandum or note written upon a Postal Telegraph blank and forwarded to me at his home address in Bay City, I became convinced that there was some one in Washington that was furnishing information, and who the person was I do not know, because this communication to me was unsigned. I can see nothing about it in any way indicating from whom it came.

Q. What did it say?—A. I think I have it with me [handing communication to the committee]. I have no idea from whom it came, but I imagined the same person who sent this communication to me is the one who furnished the newspaper men in Washington with my name. I do not think it is necessary to make it any part of the record.

Q. I think it is a pretty good thing to be a part of the record; it is a part of the case. I will leave it to the committee, however. Can you state about the date you received that?—A. February 17.

Q. You have the envelope in which this was received?—A. Yes, sir.

Q. Does it bear a postmark?—A. Mailed Washington, February 15, and received at Bay City, February 17.

Q. Is this the paper that was inclosed in that envelope or a copy of it?—A. Yes, sir; that is the exact paper.

Q. Written on a blank of the Postal Telegraph Commercial Cable Company, Postal Telegraph blank; that is right, is it?—A. Yes.

The CHAIRMAN. Will you hand up the envelope that this came in? [Envelope handed to the chairman.]

Q. Did you say you had any idea as to the probable sender of this?—A. I have no knowledge whatever, sir; there wasn't any name signed to it, and I took it the same person who sent me that was the one who connected my name with the investigation here in Washington at the time when it was first mentioned.

Q. This was received by you on the 17th of February at Bay City, Mich.?—A. Yes, sir.

Q. I will call your attention to the fact, Mr. Edinborough, that there was no investigation at that time, and no resolution offered in Congress at all.—A. On February 17?

Q. No.—A. I do not recall as to that.

Q. The resolution offered by Mr. Lilley was offered February 20.—A. This committee was appointed—the date of receipt by me is the date of the postmark on the back of the letter.

Q. This committee was appointed March 6, so your name could hardly have been mentioned at the time this was mailed to you.—A. I say I presume that the same person who sent that to me unsigned is the same person——

Q. Who subsequently brought your name into the matter?—A. Yes, sir; that is my impression; the only thing I can imagine.

Q. The first mention we had of your name is in the list of witnesses submitted by Mr. Lilley on the 9th of March. Now, have you told anyone in Washington prior to the receipt of this paper by you—have you told anyone in Washington the matters that you have told us to-day on the witness stand?—A. No, sir.

Q. Nor indicated them to them in any way?—A. No, sir.

Q. These figures in pencil on the envelope—they were not on it when it came to you?—A. No, sir.

Q. They have no bearing on it?—A. No, sir.

Q. Do you still think that this document on the Postal Telegraph Company blank was sent to you by the person who first mentioned your name in connection with this investigation?—A. Well, I don't know that it is so; it popped into my mind that it might be so. I hadn't any way of knowing that. I understand from what I read of Mr. Lilley's testimony that he had also received anonymous communications.

Q. That you got, however, from his testimony?—A. From the newspaper reports up in Michigan.

Q. You had no conversation with him?—A. This is what I read in the paper in Bay City.

Q. You personally had no conversation with Mr. Lilley?—A. No, sir.

Q. Do you know Mr. Lilley?—A. I did not know him until last evening. I called upon Mr. Lilley last evening.

Q. How did you happen to call on Mr. Lilley?—A. Because he was the man prosecuting this case and I understood that he had questions that he asked of witnesses put upon the stand.

Q. Where did you meet him?—A. At his apartment.

Q. Where?—A. At the Willard Hotel.

Q. About what hour?—A. I presume it was somewhere around half past 9, somewhere around there.

Q. How long were you there?—A. I do not know; not a very long time; well, I was there a short time with him and left.

Q. Who else was there?—A. Mr. Lilley and myself.

Q. No one else?—A. No, sir.

Q. No one else at all?—A. In the room with us? There was some other member of his family, I think, in another part of the apartment, not the part I was in; there was just Mr. Lilley.

Q. Any other gentleman present there in that room or adjoining room?—A. Not so far as I am aware.

Q. Now, just state what occurred.—A. There was nothing very much occurred, except that Mr. Lilley asked me the question what I knew about it.

Q. What did he ask you?—A. Why, he asked me a number of questions about the matter, and I told him.

Q. State what questions he asked.—A. Well, he simply went over this matter and I answered his questions about the connection of Mr. Gordon in this matter.

Q. What was the first question that he asked you?—A. Well, I can not tell that.

Q. This occurred only last evening.—A. It was just a general conversation about the matter.

Q. Give us some details of it.—A. The details appear in my testimony.

Q. It does not appear there what you said to him and what he said to you.—A. That was the gist of the matter.

Q. What did Mr. Lilley ask you?—A. I can not remember what he first asked me. He asked me about Mr. Gordon's connection with this matter. I told him what I knew about it.

Q. How did you come to meet Mr. Lilley there?—A. Because I went up to his apartment.

Q. How did you know that he stopped at the New Willard?—A. Because I saw it in the papers or saw it in the Congressional Record, I think.

Q. Did you look it up?—A. I don't know as I looked it up especially; I often glance over the names of the people I know and see where they are stopping, Michigan people, and I saw that Mr. Lilley was a guest at the Willard.

Q. How did you know that he would be in last evening?—A. I did not know that he would be in.

Q. Had you any appointment with him?—A. No, sir; not when I came to Washington. I called him up last evening.

Q. From where?—A. Metropolitan Hotel.

Q. What did you say to him?—A. Whether he wanted to meet me.

Q. What did he say?—A. He asked me to come up to the Willard, and I went up.

Q. Have you had any letters from anyone in Washington or any documents except this one on this subject of the Holland Torpedo Boat or Electric Boat Company at all?—A. No, sir; except maybe three or four newspaper clippings, maybe, four or five.

Q. Who sent you them?—A. I do not know, sir; no name attached, and no communication attached, either signed or unsigned. New York Herald clipping, I think, was one—I think two from the New York Herald.

Q. Do you happen to have the clippings with you, any of them?—A. I think I have two or three of them; they were in that same envelope.

Q. With this telegraph blank?—A. Yes, sir; here are two of them [handing clippings to the committee].

Q. Have you the envelope in which they came?—A. One came in that envelope I just handed to you and the other one came in another envelope and I have not got it; this one came later.

Q. Then the blue-pencil marks—this large article, which you say came later, seems to be New York Herald, Wednesday, February 19, 1908—there are certain blue marks upon this article. Were they placed there by yourself or were they there when you received it?—A. They were there when I received it.

Q. The wrapper in which you received that, was it addressed with a pen or typewriter?—A. Typewriter.

Q. The other article appears to be a clipping from the New York Herald, Washington, D. C., Friday, without giving the date, and is headed "House bill alarms friends of Navy," that is a clipping which came in the same inclosure with this message on a postal blank?—A. Yes, sir; that came at the same time.

Q. You have no idea from whom that came?—A. I have no knowledge whatever, sir. I only received that one memoranda or note, and that was unsigned.

Q. Now, have you received any other communications of any kind from Washington bearing on this investigation or this boat question at all?—A. No, sir.

Q. Nor telegrams?—A. No, sir.

Q. Or newspaper articles?—A. Well, as I say, I received one or two others that I have not with me, but I do not think I received to exceed five or six.

nomination?—A. No, sir; no one whatever, and I might say that there probably never will be.

The CHAIRMAN. Does any other member of the committee wish to ask this witness any questions?

By Mr. STEVENS:

Q. Will you please locate as definitely as you can that particular conversation with Mr. Loud at the Dewey to which you referred to Mr. Howard, or what time was it?—A. With Mr. who?

Q. In the interrogatories of Mr. Howard you referred to a particular conversation with Mr. Loud at the Dewey. Now, what time of the year and month was it?—A. Well, I think it was in the early part of the year. I could not give the time, because, as I say, I did not charge my mind with the exact conversation or the time, but it was just about the time that the Naval Affairs Committee was fixing up the bill.

Q. It was in the year 1906, was it?—A. Yes, sir; that is my recollection of the time, a little over two years ago now.

Q. You were the secretary of Mr. Loud during that session of Congress?—A. Yes, sir.

Q. Do you recall the time the session finally adjourned?—A. It adjourned, if I am not mistaken, on the last day of June.

Q. Now, this conversation occurred just prior to the naval bill being reported to the House from the Committee on Naval Affairs, was it?—A. I would not be able to state that definitely; it was when these matters were up in the committee, as I understood at that time.

Q. The bill had not been reported to the committee then; reported by the committee?—A. I think it had not.

Q. It was prior to that time, then?—A. I think so.

Q. Now you paid no further attention to that after that?—A. No, sir.

Q. Did you notice Mr. Gordon talking to Mr. Loud at any time after that?—A. Well, I would not be able to say; he was in Washington different times.

Q. Did you notice Mr. Loud and Mr. Gordon talking together at the Dewey or elsewhere after that conversation?—A. I would not be able to fix any time.

Q. Do you remember of seeing them together at any time after that conversation?—A. I could not say with reference to that conversation. either before or after it occurred, I know that he would occasionally call on Mr. Loud and other Michigan men at the hotel.

Q. What other Michigan men were at the hotel?—A. Mr. Diekema, who was then a member of the Spanish Treaty Claims Commission.

Q. Did Mr. Gordon talk with him?—A. I could not say that. Mr. Gordon was in Washington and when he came there, my recollection is, he always tried to see people who were staying at the Dewey Hotel.

Q. Do you know whether he was talking with Mr. Diekema at that time?—A. I could not say.

Q. What other Michigan men were at the hotel at that time?—A. Mr. Fordney.

Q. Do you know whether Mr. Gordon talked to Mr. Fordney at that time?—A. No, sir; I did not pay attention to see.

Q. Did you see them together?—A. I could not say I did.

Q. What other Michigan men were at the Dewey?—A. Mr. Hamilton.

Q. Do you know whether Mr. Gordon talked to Mr. Hamilton at that time?—A. I could not say that he did.

Q. Did you ever see them together?—A. I do not remember.

Q. What other Michigan members were at the Dewey at that time?—A. I can not think of any other Members of Congress. Mr. Townsend was there.

Q. Do you know of Mr. Gordon talking to Mr. Townsend at the Dewey?—A. I do not, sir.

Q. Did you know of Mr. Gordon talking with any members that you have mentioned, or other members of the Commission, then or at any other time?—A. I have no recollection of it, sir.

Q. Did you see him talking with them at any time?—A. I do not recall any particular case. I know that he was on friendly terms, apparently, with the other Members of Congress.

Q. How frequently did he call at the Dewey to talk with these various gentlemen?—A. I do not recollect seeing him there very often.

Q. How often do you recall during that session of Congress?—A. I would not be able to say, sir. I have seen him there at different times.

Q. How many times, as you recall?—A. He came to Washington before he ever represented the submarine company, I understand; maybe on a pleasure trip.

Q. How do you know that?—A. I had seen him here, I think, the first or second winter I was down here.

Q. You saw him here then?—A. Yes, sir.

Q. What was his business then?—A. I do not know, sir.

Q. You do not know what position he held then?—A. I think that was during the latter part of his term as United States district attorney.

Q. So you do not know whether he came here on official business or not?—A. No, sir. I would not be able to state what his business was.

Q. How do you know the time that he became first connected with the Electric Boat Company or the Holland Boat Company?—A. Well, I would not know when he first became connected with it only for the fact I was reading his testimony over this morning, and he said, I think, that it was the fore part of March in 1906.

Q. So you gathered from that testimony that he entered the employment of that company at that time?—A. I think that is what he said.

Q. And you had seen him here previously?—A. Yes, sir.

Q. Do you know whether he visited the Dewey and talked with the Michigan Members more often after he became connected with the company than he did before he became connected with the company on his trips here?—A. I would not say that he did.

Q. You do not recollect one way or the other?—A. He might have been there a great many times, you know, and I did not know anything about it. I know he was at the Dewey during the three winters that I was down here several times, but what particular time I would

not be able to say. I remember seeing him there and know of his being there.

Q. Now, in the course of your business while secretary with Mr. Loud did you very often go to the Capitol to confer with Mr. Loud on his matters?—A. No, sir.

Q. Where did you have your office to perform your work as secretary?—A. At the Dewey Hotel.

Q. Did Mr. Gordon come to your office occasionally?—A. I do not recollect that he was was ever up there; it was my private room.

Q. You never saw him up there?—A. No, sir; it was in my own room.

Q. Now, after that conversation that you referred to, who did you talk to about the situation between Mr. Loud and Mr. Gordon?—A. I did not say anything about it.

Q. Did you say anything to any other Member of Congress from Michigan?—A. No.

Q. Did you mention it to the secretary of any Member of Congress from Michigan?—A. I do not recollect talking to anyone about it.

Q. Did it sort of disappear from your mind after that conversation? Did it make much of an impression on you at that time?—A. It did.

Q. Well, then, whom did you speak to about the impression it made on you; did you speak to Mr. Loud about it afterwards?—A. No, sir; I do not recall that we ever talked about it again.

Q. That is the only time you discussed with Mr. Loud about that situation?—A. Yes, sir; that is why I had a recollection of it in a general way at that time expressing my regret at Mr. Gordon's actions, or rather——

Q. To Mr. Loud?—A. Yes, sir.

Q. Now, what did you say then?—A. Simply a general statement of thinking it was not right, something like that, sort of sympathizing with him in the matter. I did not go into any lengthy remarks; it was very short.

Q. How long was the whole conversation?—A. It was not of long duration at all, it was a little flurry, you know as those conversations come and go.

Q. That is all there was to it? Now, when did you speak of this to anybody?—A. I do not know, I am sure.

Q. Now, you spoke of it to somebody; now, when did you first speak of this to anybody?—A. I presume it was since this matter became published down here.

Q. When was that?—A. It must be somewhere around a month and a half ago.

Q. That was about February then?—A. I can not tell the exact date.

Q. Did you speak to anyone about this before you received this letter?—A. No, sir.

Q. This letter you received on the 17th of February—according to this post mark, Bay City post-office, you received that letter on the 17th of February. You never spoke to anybody about this situation with Mr. Loud before you received this letter on the 17th of February?—A. That is my very best recollection.

Q. So that that situation that impressed itself so on your mind remained in your mind about two years, and you never said a word about it to anybody until how long after the 17th of February, after you received this letter?—A. Well, it was about that time that the papers made mention of it, I think.

Q. What papers?—A. The Detroit News and the Michigan papers. I think they have correspondents here in Washington.

Q. They made mention of what?—A. Of the fact of the investigation.

Q. Did they mention Mr. Loud's name in connection with it?—A. Yes, sir.

Q. Did you see in the Washington newspapers or Detroit newspapers, from the Washington correspondents, any mention of Mr. Loud's name previous to that interview in the Detroit News?—A. Yes, sir.

Q. In what newspaper?—A. Why, it was mentioned in, I think, all the Detroit papers—the News, morning and evening, the Free Press——

Q. And connecting Mr. Loud's name with this submarine matter?—A. Yes, sir; and the two city papers also—the Bay City Tribune and Bay City Times.

Q. And did they make any reference to your knowledge of the affair?—A. I think they did; if I mistake not, one of the Washington articles had my name.

Q. You do not recall which one?—A. Well, I think it was morning Detroit papers, and the same day, I think, the Bay City Times had an article.

Q. What did it say about you in connection with Mr. Loud's affairs?—A. I do not know whether this was the first intimation I had from Washington or not, but I remember one day being called up by one of the representatives of the Bay City Times early in this matter—very early—a man who was also a reporter, I think, of the evening Detroit papers, and he said they had word from Washington I was going to be subpœnaed.

Q. Now can you fix that date; can you identify that time?—A. I can not tell what date it was.

Q. Was it before or after your interview with the Detroit News that Mr. Howard alluded to?—A. I think it was before; I think so.

Q. Was it after you received this letter?—A. I can not fix the date with reference to that memorandum.

Q. You do not know whether it was before or after you received this letter?—A. (Referring to memorandum on telegraph blank.) It seems to me that it was after.

Q. Now, you recall the fact that Mr. Howard spoke to you about your resentment against Mr. Loud's slighting reference to you; you recall that interview Mr. Howard read to you?—A. Yes, sir.

Q. Now, was that statement to the reporter before or after that?—A. Which interview of the reporter do you refer to?

Q. The one that Mr. Howard referred to.—A. The one that is on the record?

Q. Yes.—A. Was it before or after that? That interview of mine was, I think, given the same day as Mr. Loud's interview. Now, I am not just certain about that, there have been so many dates in this matter, but that is my best recollection.

Q. Now, can you identify from that about the time that you were notified by that reporter that you would be subpœnaed; was it before or after?—A. You are referring now to this dispatch received in Bay City, saying that I was to be subpœnaed?

Q. Was it before or after that? yes.—A. This interview, I think, was after that.

Q. This interview in the Detroit News that Mr. Howard referred to was after you had been notified by the reporter at Bay City that you would probably be subpœnaed?—A. Yes; I think so; I think that is right.

Q. Now, what did that reporter say to you as the reason that he knew you would be subpœnaed; did he indicate to you his sources of information?—A. He called me up and said they had word from Washington saying that he thought Mr. Gordon and myself were to be subpœnaed.

Q. And then you gave an interview to the Bay City reporter of the Detroit News following that?—A. No, sir; not immediately following.

Q. How long after?—A. That interview should have referred to Mr. Loud's interview, which was some little bit, I think, after the beginning of this thing; I think Mr. Loud's interview in the Free Press was on a Saturday. Now, I can not tell which Saturday of February, but it was some Saturday in February.

Q. That is right—Saturday, February 22.—A. Yes, sir.

Q. And your interview was when?—A. Well, I had an interview in the Free Press replying to that.

Q. That same day?—A. Yes, sir; only it appeared in the Sunday paper.

Q. Now, do you recall whether the reporter told you that you would be subpœnaed from Washington before or after this occurrence in these two interviews?—A. Well, I can not tell the date of that.

Q. You can not tell whether it was before, can you? You know about when you were first interviewed by the reporter that you would probably be subpœnaed to Washington?—A. That was a long time ago; before I knew that I was to be subpœnaed.

Q. You have said your first intimation that you would be subpœnaed was when a reporter notified you. Now, you can tell whether that was before these two interviews of yourself and Mr. Loud, can you?—A. Well, I will give you my best recollection, and that is that it was before.

Q. That is what we want. Now, what did that reporter say to you?—A. He called me up at the Elks Club and said that Mr. Gordon, I think, and myself were to be subpœnaed to Washington and called me up to let me know.

Q. Where was he, if you know?—A. He was at his office at the Bay City Times.

Q. His newspaper office?—A. Yes.

Q. Do you know how long before this series of interviews that that occurred, this conversation between yourself and the reporter?—A. I would not be able to say, sir. I have had so many telephone conversations and newspaper reporters talking to me about these things I can not tell.

Q. It was one or two days before either of those, a day before?—A. Well, sir, I do not think I could tell you. I would like to.

Q. Two days before?—A. As I recall it, my first information that I would become subpœnaed at all was through this telephonic communication I had from the reporter of the Bay City Times, who said that word had been received that I was to go to Washington. If I am not mistaken, he said Mr. Gordon is also to go.

Q. You do not recall whether it is one or two days before Mr. Loud gave his interview, and you gave an interview in answer to it?—A. Well, I think it was before, but I can not tell you the exact number of days.

Q. Up to that time you had never said a word to anybody concerning that conversation and situation with Mr. Loud and Mr. Gordon at the Dewey Hotel of two years ago?—A. I kept it quiet all this time, because I did not know any reason why it should be told.

Q. And you had not said a word about it up to that time, had you?—A. Well, I have had newspaper interviews, and I can not fix those dates in my mind, but I will make this statement, that I see what you are getting at——

Q. Well, now, answer my question. Have you said anything to anybody about this interview between yourself and Mr. Loud concerning that episode with Mr. Gordon up to the time you received this telephone communication concerning your summons to Washington; have you said anything to anybody concerning it up to that time?—A. I can not remember the day that I received this communication.

Q. You can answer this last question. Had you said anything to anybody concerning this episode between Mr. Loud and yourself concerning Mr. Gordon up to that time? Now, up to that time there had been no interviews that I recall that you stated you had given in the newspapers. You do not remember about that, do you?—A. I would like to be able to fix these dates in my mind if I could, but I can not recollect, there have been so many of them.

Q. Now, then, when did you first tell anybody about this episode?—A. I can not tell that, but I can say this: That it was not until after the newspaper reports had come out regarding the affair.

Q. You did not tell anybody anything about it until after the newspaper reports came out?—A. Well, the reports of the action of the House Committee on Naval Affairs.

Q. Now, after that whom did you speak to first?—A. Well, I have talked to a number.

Q. Whom did you speak to, as you recall?—A. Well, I received that at the house, and I opened the envelope and showed it to my mother.

Q. Which one?—A. The first one.

Q. That is this one of February 17?—A. Yes, sir.

Q. Now, who else did you show this to?—A. A few have seen it, but I can not just recall the dates when it was shown.

Q. You do not recall to whom you showed it outside of your mother?—A. I say several have seen it since the matter became a public affair.

Q. Up to that time had you told anybody about this affair of Mr. Loud's?—A. No, sir; as I told you, I did not charge my mind with the actual conversation, and it was an incident that when the matter

came up I remembered this affair too. I certainly was not running around telling people.

Q. Up to that time—we want to definitely fix it—you had not told anybody about this?—A. No, sir.

Q. Up to the time you received this letter and received this communication?—A. No, sir.

Q. Then you had not told anybody up to the time you received this telephone message from the reporter notifying you that you would be summoned to Washington?—A. That was public property, you know. At that time my name was connected with it.

Q. But you had not told this episode to anybody?—A. I told you when I opened that envelope I showed it to my mother at the house.

Q. Did you tell her then what occurred at the Dewey Hotel between yourself and Mr. Loud concerning Mr. Gordon?—A. My recollection is that I did.

Q. Was that the first time that you told anybody?—A. Yes, sir.

Q. Hadn't you told anybody before that?—A. I have not any recollection of having done it.

Q. And the first time you mentioned this subject was to your mother when you received this letter on the 17th of February?—A. Yes, sir.

Q. Now, who else did you tell?—A. Well, sir, I talked with several reporters when my name was connected with it.

Q. How long after the receipt of this letter was that?—A. I can not fix any time.

Q. How many hours, days, or weeks?—A. It was within a week, but I can not tell, sir, the exact date that I first mentioned it to anyone.

Q. Was it one, two, or three days, you can remember that, can't you?—A. Well, I know I had a number of interviews with different newspaper men, as I said, when the Bay City Times called me up wanting to know about it. I left Mr. Loud's name out of the interview.

Q. So that your first interview you gave you did not mention Mr. Loud's name at all?—A. That is my recollection.

Q. And you did not tell this story at that time?—A. No, sir.

Q. And you had been notified that you would probably be summoned to Washington; that is so?—A. I do not know as I had been notified then.

Q. I am trying to get the facts just as you give them to me.—A. I remember that interview in the Times, a short interview; I do not remember the date of it, and if I am not mistaken that was the first one, and then that was followed later in the same day by an interview that you have there, if I am not mistaken.

Q. That was the same day; so that the first interview on this whole subject you gave the same day of the interview we have here?—A. The one in the record, I think; yes, sir.

Q. And this was the first mention you made then of Mr. Loud's name in connection with Mr. Gordon?—A. Well, sir, I haven't these dates in mind; I won't be certain about the dates; I haven't the exact dates in mind. Have you the article of the Bay City Times interview? It was a very short interview and it stated that when I was called up I replied, I think it said, that Mr. Gordon had represented

a boat company as a lobbyist, and I think that was followed by the—if I am not mistaken—by a longer interview in the Detroit Journal, which appeared that day in their last edition, and also the following day, Sunday, in the Free Press.

Q. To what effect were those interviews by you?—A. It was on this line.

Q. On those same lines?—A. Yes.

Q. Between the time you gave these interviews and the time you told this story to your mother had you told it to anybody else?—A. I remember of telling Goodwin in confidence, but I can not tell the date of it.

Q. What Mr. Goodwin?—A. He is a representative of the Detroit News, I think.

Q. What is his name?—A. E. A. Goodwin.

Q. Representative of the Detroit News?—A. Yes, sir.

Q. At what place?—A. At Bay City, but this was in confidence to him, and I am certain was never revealed by him.

Q. When did you think you told Mr. Goodwin this?—A. I do not know the day.

Q. It was after you received his letter and told your mother; and before you gave these interviews in the News?—A. That is my recollection.

Q. And was it before or after the time you received the telephonic communication that you would probably be called to Washington?—A. I do not remember the day I received the telephone message; I could not tell you the day.

Q. Was that about the time you told Mr. Goodwin?—A. It may have been; I can not fix the time of either one of those, of the telephone or his conversation.

Q. Is Mr. Goodwin a particular friend of yours?—A. Yes.

Q. Has he supported you in your contest with Mr. Loud?—A. Yes, sir; he is a particular friend of mine.

Q. Has his newspaper supported you?—A. They have not taken a stand either way. They have had articles both ways; they are a very independent paper.

Q. Did you tell anybody else except Mr. Goodwin?—A. I do not know who it was, but I have a recollection of showing that memorandum to Mr. Cowles, who was the editor of the Bay City Tribune. I do not recollect the date.

Q. Was that before or after you received that telephonic communication concerning your trip to Washington?—A. Well, sir, I do not recollect the date of that; simply sent it over to him. I was in his office, he looked at it, kind of laughed, shoved it back to me and didn't pay much attention to it.

Q. Did you tell him the story at that time concerning what you knew about this episode?—A. No, sir; I do not recall it; he was busy at the time as I remember it, and I just went into his office for a moment and passed right out without having a particular conversation with him.

Q. When next did you tell that story to anybody?—A. I do not know, I can not tell, I have no particular recollection about it.

Q. Did you tell anybody about it before you came down here?—A. Yes, sir.

Q. Whom did you tell?—A. Told Judge Shepherd.

Q. Who is Judge Shepherd?—A. A friend of mine in Bay City.

Q. What is his name?—A. T. F. Shepherd.

Q. When did you tell him?—A. When this matter became public.

Q. After these newspaper articles had appeared?—A. Well, I have not the dates firmly in my mind at all, but I remember being in his office; he is a confidential friend of mine; he is one of our former circuit judges.

Q. Did you tell him the story that you told Mr. Howard in answer to his interrogatory?—A. Yes, sir; the substance of it.

Q. Who else did you tell before you came to Washington?—A. It has been a matter of public interest in Bay City; discussed more or less. The newspapers said a great deal about it.

Q. How did it get into the newspapers; did you give it to the newspapers?—A. Did I give what?

Q. Did you give this episode in your conversation?—A. That has never been published, sir; never until to-day.

Q. Did you give the substance of this to the newspapers, of this note that you received from Washington?—A. There were a very few of my close confidential friends that have seen it; they have not made it public until to-day.

Q. Did you talk with any other people of Bay City before you came down, in different places that you went to, concerning the situation, before you came to Washington?—A. As I told you, it has been a matter of conversation and general interest in Bay City; there has been more or less said in newspapers from the Washington end, and I have been run after by reporters and have evaded them, and told them I did not know that I was to be subpœnaed at all; in fact, I did not know my name was mentioned as being a possible witness, except quite a while ago, and then the matter was sort of dropped and I thought that possibly I was not to be subpœnaed.

Q. In your contest in 1906 for the Senate you said Mr. Gordon was rather in opposition to you?—A. He opposed my candidacy, yes.

Q. What position did Mr. Loud take, if any?—A. Why, I think that in the first place Mr. Loud was opposed to my becoming a candidate. I think that was his personal desire that I should not be a candidate, but we afterwards talked it over, and a number of his friends, I think, talked to him about the matter, and he finally thought it might be all right.

Q. Did he or not support you after you became a candidate?—A. I think Mr. Loud spoke to a few of his friends in my senatorial district in my behalf, but the campaign was fought out on factional lines. I refer to Bay County politics. There were two strong factions there, and the contest was really a fight between those two local factions in Bay County. Mr. Loud lives in Iosco County, about 75 miles north of Bay City.

Q. When did you first announce your candidacy for Congress?—A. It was announced on New Year's Day, but it was known for quite a time previous to that that I was to be a candidate. I simply delayed the announcement until that time.

Q. In what way did it become known previous to its formal announcement?—A. By my telling my friends. First, by being urged by them to become a candidate, and they began talking that I would be a candidate; then I did some little talking around with friends and told them that I expected to be in the race. That was the latter

part of the year. I think that I had fully made up my mind to become a candidate in October of last year, at the time of the special session of the legislature. I think that convened on the last of September or first of October, and it was quite a generally accepted thing at that time that I was a candidate, although, as I say, I had not made any real formal announcement.

Q. Was that fact that you were to be a candidate known, so far as you were aware, by the members of the Michigan delegation in Congress? Had you informed any of the Michigan delegation in Congress that you were to become a candidate up to that time?—A. No, sir; I do not think I did.

Q. Had you informed any of the secretaries of any of the Michigan delegation in Congress that you would be a candidate up to that time?—A. Why, I do not know. I remember being in Grand Rapids last fall, I think it was, early in the fall; I can not just remember the date, but I remember being over to Grand Rapids on some matter, and I talked it over there a little.

Q. Had you given any information to the Washington newspaper fraternity, the men here representing Michigan papers, before the 1st of January that you probably would be a candidate?—A. There would only be one, and I am not sure just what I said to him. That would be Mr. Cameron, of the Detroit Journal, who, during the regular and special sessions of the legislature in Michigan last year, was the correspondent at the capital for the Detroit Journal, and he was more or less in my confidence, and I think that he understood I was to be a candidate.

Q. Is he their correspondent in Washington also?—A. Yes, sir.

Q. He is here this winter?—A. Yes, sir.

Q. And he is the only one you know of, then, that you talked to about your candidacy?—A. Of the Washington correspondents, yes. But it was mentioned in the press in Michigan as early as some time in the early part of last spring, I think, while the legislature was in session. I think the Detroit News had one or two items about it.

Q. Local items, or from Washington?—A. No; they were State items, from Lansing, I think.

Q. Did Mr. Cameron send out any items from Washington concerning your candidacy in his paper?—A. No, sir. I never saw anything in Washington with reference to it.

Q. Did any of the other Michigan newspapers contain any items relative to your candidacy; I mean from their Washington correspondents?—A. I have not any knowledge of any article of that kind.

Q. Do you know whether or not after the 1st of January anything came out from the Washington correspondents of Michigan papers relative to your candidacy?—A. No, sir; I do not know of any. I do not remember seeing a thing from Washington.

Q. During your talks with your newspaper friends in Michigan during the fall months with reference to your candidacy against Mr. Loud did you refer in any way to this episode?—A. Oh, no, sir. As I told you, I had not talked it.

Q. It had sort of disappeared from your mind?—A. No, sir; I would not say that. There was no occasion for bringing it up in any way, and it never would have been brought up except for the fact that this investigation is on. I want to state right here that any knowledge anyone may have had here in Washington with reference to the

starting of this investigation did not come from me. I had a talk with Mr. Lusk, Mr. Loud's Bay City postmaster, and he and I have always been close personal friends and up to recently we have been cordial political friends. But after a very heated county convention a month ago in Bay County Mr. Lusk and I had a talk of about twenty minutes, in which this matter was brought up, and I assured Mr. Lusk at that time that I was entirely innocent of anything of that sort, and I said I thought of writing to Mr. Loud to give him to understand that I was not the instigator of this investigation; and I said, "How perfectly absurd it is for anyone to think that I could know what is going on in the Committee on Naval Affairs in Washington when I am in Bay City, over 800 miles distant," and my knowledge of the affairs is that what caused the investigation to be held at all was the action of the House Committee on Naval Affairs this year: that is what stirred up the investigation.

Q. That is something that is out of our province to discuss. You stated, if I recollect, that there was nobody else present except yourself and Mr. Loud while Mr. Loud was indignant over the Gordon affair?—A. Yes; just Mr. Loud and myself.

Q. So that you wish it to appear of record unequivocally that whatever was said about that around Washington previous to these newspaper interviews of February 21 did not come from you and must have come from Mr. Loud?—A. No, sir; I do not want it to appear that Mr. Loud——

Q. You say it did not come from you?—A. Yes, sir.

Q. You are positive about that?—A. Yes, sir.

Q. It did not come from you. So that whatever did come from anybody concerning this affair must have come from Mr. Loud?—A. No, sir; I do not want that to appear, because that would be very foolish on the face of it, as far as Mr. Loud's connection with the interview would be concerned. I want this to appear, that the investigation in this matter started entirely without any knowledge on my part, and that the first intimation I received was from an anonymous source, and that the investigation grew out of what took place in the Committee on Naval Affairs of this year, and that merely the affairs of a few years ago are incidental to this investigation, and to the main question at issue, as I understand it, and my connection with this affair—my connection with this affair became public from the Washington end and not from the Michigan end. I want that to appear distinctly. Now, there is some one here in Washington who evidently thought that I might know something about it. It was simply a guess on the part of this person, whoever it may be, and my name was connected here from the first in this affair without any knowledge on my part that it was to be, or that anyone in Washington knew that I had talked with anybody or knew anything that could throw any light on it. It was a matter of the greatest surprise to me to know that anyone in Washington even thought that I had any knowledge of it. Now, it is possible that some newspaper reporter, knowing that I had been Mr. Loud's secretary, and knowing that Mr. Gordon was Mr. Loud's friend, and all this sort of thing, simply forced him to the conclusion. Now, I want it to appear distinctly and unequivocally that any suspicion that I am the cause of Mr. Loud's name being connected with this affair is not so.

Q. Do you suspect any newspaper reporter here who would do such a thing as bring your name in connection with Mr. Loud's as to this affair?—A. I do not know who would do it, but the facts are these, that Mr. Loud is a member of the Naval Affairs Committee of the House; that he is the only Michigan member of the Naval Affairs Committee, and that Mr. Gordon is one of the leading Republicans of Midland County, and for some unknown reason he is engaged by this submarine company to come to Washington from an obscure——

Q. That is not in any way answer to any question. Those are deductions of your own concerning this situation.—A. I am just trying to explain to you how I think my name was connected with it.

Q. That is our business.—A. I want to repeat again that I am entirely innocent of Mr. Loud's name being brought into this matter.

Q. That is all I want to know.—A. Yes, sir——

The CHAIRMAN. Does Mr. Olmsted wish to ask the witness any questions?

By Mr. OLMSTED:

Q. You spoke of Mr. Loud's attitude to your campaign for the senateship?—A. Yes, sir.

Q. I understood you to say that he supported you for the senate?—A. Well, you understand, Mr. Loud and I live in different senatorial districts.

Q. But your senatorial district is in his Congressional district?—A. My senatorial district is in his Congressional district. I understood after I became a candidate that Mr. Loud was friendly to my candidacy.

Q. In what way did he show his friendship?—A. Well, I think he talked to two or three of his personal friends who live in my district. I really do not know, outside of a few conversations, what Mr. Loud did.

Q. Did he contribute anything to your campaign?—A. No, sir; not so far as I know. If he did he did not do it through me.

Q. Did you ever hear that he did?—A. Why, not until very recently.

Q. What did you hear then?—A. Why, some one in Midland, I think, where Mr. Gordon lives, said that Mr. Loud paid my campaign expenses for the senatorial nomination. But I have no knowledge of it, and I have never heard that Mr. Loud claimed that he did. I don't believe he ever did claim to have done so.

Q. Who did pay them?—A. They were paid by friends of mine who were interested in my success.

Q. Do you know what friends contributed?—A. They were local men in Bay City, and different men. I do not think it would be fair for me to mention their names.

Q. That is all right, but——A. They are honorable men and good citizens.

Q. I am not insinuating that the fund was used for any improper purpose.—A. It was not, because my record in the State legislature shows that I was voting for what I thought was right, and I believe my constituents approve of it. That is what I went there for. I was not tied up to any special interest or any corporations.

Q. That, of course, can be settled in your district——A. But I do not want even a suspicion to go out in this committee room or in Washington that I was tied up in legislative matters.

Q. Nobody has insinuated that you were. I only want to know if you knew that Mr. Loud bore part of your expenses?—A. No, sir. If Mr. Loud did it is news to me.

Representative LOUD. May I ask just a question?

The CHAIRMAN. We will be glad to propound any question to this witness which any Member of the House wishes should be asked.

Q. Along about the middle of February did anyone in Washington know that you were a candidate for Congress or were going to be?—A. I imagine that the Michigan people did, because my announcement was in the leading papers of Michigan, and I think that the Michigan papers are read by a great many Michigan men here in the city.

Q. What people in Washington would be likely to know or to have known at that time that you were a candidate for Congress?—A. I should think that the men who were in political life in Washington who get the Detroit papers and the Bay City and Grand Rapids papers. They all made mention of the fact. The Detroit Journal, for instance, printed my announcement in full on the front page. It could not very well escape notice if the Journal is received here.

Q. Did that paper have a correspondent here?—A. Yes, sir.

Q. Who is he?—A. Mr. Charles Cameron.

Q. Who is the correspondent of the Detroit News?—A. Mr. Miller, I believe. I have seen his name.

Q. Do you know his full name?—A. I think George Miller. I do not know him and never saw him to know him.

The CHAIRMAN. Representative Loud submits the following question, which Mr. Olmsted will propound to the witness.

Mr. OLMSTED. If Representative Loud does not object, I will put it in my own language.

Representative LOUD. Certainly not.

By Mr. OLMSTED:

Q. Will you state whether or not you received $100 sent you by mail by Representative Loud after you had resigned and after your account had been closed between him and yourself?—A. When I decided to resign or to leave Mr. Loud's employ, after I was nominated, and it was virtually an assured fact that I was to go to the Senate, because our district is strongly Republican, Mr. Loud said, "You will receive your salary for the month of October," and after he arrived in Washington and received a check for clerk hire for the month of November he sent it to me to Bay City, after I was elected and about a month before I went to the legislature. It was not an understanding between Mr. Loud and myself. It was a voluntary statement on his part. He says, "You will receive your salary for the month of October," but I did not get it on the 1st of November, as had been the custom, and did not receive it until the fore part of December.

Q. Did you do anything for Mr. Loud in October as his secretary?—A. The only thing that I did here, I went to Au Sable, I think once, where Mr. Loud lives, about 75 miles from Bay City. Then I later went up in the month of November, I think the latter part of November, to help him pack up and get his chest ready for Washington, inasmuch as I knew about what he wanted to take with

him, his letters and what supplies he wanted to start in with when he got here.

Q. Is that all that you did in October or November for Mr. Loud?—A. I do not recall being in Au Sable in October, but——

Q. I do not care where you were, did you do anything as his secretary?—A. I do not recall that I did. But it was an agreement voluntarily from Mr. Loud.

Q. That he would give you a hundred dollars?—A. No, sir; that was not it.

Q. What was it?—A. There is a different way of putting things. He did say "your hundred dollars," but the understanding was—let me say, first, that I resigned in August, I think it was, and that it was to be at Mr. Loud's own motion when the resignation was to take effect. It was done at that particular time, before the primary election in which I was nominated, so that the people who might be unfriendly to Mr. Loud could not say it was a scheme of Mr. Loud's getting me up for the State senate. Some people had a suspicion that Mr. Loud was a candidate for United States Senator, and that my desire to be nominated and elected was simply to further Mr. Loud's interests to the United States Senate, and somebody in Bay City had already said it. Of course, I promptly denied that, because Mr. Loud was not a candidate for United States Senator; and the resignation, I think, was in August, some time in the summer, so that it could be published, and that the Republican electors would know that I had resigned. Others said that I was simply going to the senate and was going to hang on to being Mr. Loud's secretary still.

Q. Regardless of that, you got the hundred dollars?—A. I did; under the agreement with Mr. Loud.

Q. It was not an agreement, it was a promise?—A. I do not care how you put it. It was Mr. Loud's own suggestion—"You will receive your salary for the month of October." I received that after I had been elected and about four weeks before I left for Lansing, something less than four weeks. I have the letter at home now.

Q. You did receive it?—A. But the idea is whether Mr. Loud was paying my campaign expenses, and I do not want it to be thought he did pay my campaign expenses, because he did not. The campaign question was all over and the election was over.

Q. I have not asked anything about your campaign expenses. I ask whether you got the hundred dollars?—A. I don't want this testimony to dovetail in, and have one gentleman say Mr. Loud did pay my campaign expenses and have another gentleman say Mr. Loud did give you a hundred dollars. I do not want to have any such construction be placed upon this testimony, because Mr. Loud did not contribute to my campaign expenses at all. I simply took him at his word. He says, "You will receive your salary for the month of October," and in the fore part of December, after the nomination and election were all over, he sent me——

Q. Then if he did his own work or employed some one else to do the work that you would have done as his secretary, it was practically a gift of a hundred dollars to you, was it not?—A. Well, there are lots of things in connection with matters that the public are not interested in. I do not know as I care to go into every little personal *detail* between Mr. Loud and me. But I think——

Q. Well, you got the hundred dollars.—A. Certainly. I told you that. But it was not a contribution to my campaign expenses.

Q. Did you have any campaign expenses?—A. I never knew a politician that did not. I certainly did. They were very small.

Q. You may have had a slight deficit, and this hundred dollars fitted into that very well?—A. No, sir.

The CHAIRMAN. Is there any other member of the committee who wishes to ask this witness any question?

By Mr. HOWARD:

Q. I understand the sum of your testimony about Mr. Loud's relation to Gordon is about this, that Loud came up into your office one night and by his manner, acts, appearance, and the few words that he said, you guessed that Mr. Gordon had been lobbying with him down stairs, and you say that some newspaper man guessed that you guessed that Gordon had been lobbying with him, and that is how it got out?—A. Well, I think my testimony is in the record——

Q. I think so.—A. I have the idea that it is in there in different language than you have tried to state.

Q. I know it is. Now, if you came to Congress would you be in favor of abolishing the Congressional Record?—A. I don't think that that question is pertinent to this inquiry at all.

Q. You are a candidate for Congress?—A. I am.

Q. You hope to be elected?—A. I certainly hope to be nominated, and if I am nominated, I think I will be elected.

Q. Then you hope to be nominated?—A. Yes, sir.

Q. And if your are elected you will have to deal with the subject of what is done by Congress being spread abroad by you or somebody else.—A. I will be perfectly ready and willing to stand on my record in the State senate.

Q. I was undertaking to see whether or not you required any aids to your memory or whether you would abolish the Congressional Record.—A. I am perfectly willing to stand by my record as it is made up all through life.

Q. Then you are not in favor of abolishing the Congressional Record?—A. I do not care what they do with the Congressional Record. I know I came down here to tell the truth, as near as I know, the facts and circumstances, at the instance of this committee, and I am here to tell the truth just as I know it, sir, and I have done it.

Q. I have never questioned it at all. You have simply impressed me with the fact that there was very little of it.—A. What there is of it is there.

The CHAIRMAN. Is there any other member of the committee who desires to ask this witness any further questions? Is there any Member of the House of Representatives who desires to ask this witness any other questions? Is there anyone present, in person or by counsel, who desires to ask this witness any questions?

By the CHAIRMAN:

Q. Mr. Edinborough, you have stated several times that this typewritten communication, unsigned and undated, was inclosed in an envelope postmarked Washington, February 15, at 9.30 p. m., 1908, and addressed by typewriter to Senator Frank Edinborough, Bay City, Mich. It is postmarked as received Bay City, Mich., February 17, 2 a. m., 1908. You have testified several times that it was received

by you on that day, February 17?—A. Well, it was delivered to the West Side office at Station A, I think, at 7 o'clock in the morning, and it was delivered at my house in the morning mail.

Q. You received it on that day?—A. That is my recollection.

Q. You have acknowledged the accuracy of the date and the subject of the interview that appeared in the News on February 22, 1908, in which you are made to say in quotation marks, among other things, "When Loud says he does not know that Gordon was lobbying for the Holland concern he puts himself in a peculiar light, in view of his own statements as to Gordon." You still acknowledge the accuracy of that interview?—A. I presume that is substantially correct. If I had the correct date——

Q. The date is February 22, the evening edition, apparently, of the Detroit News, in which it is stated that "State Senator Frank L. Edinborough this morning made this statement." You acknowledge the accuracy of that account?—A. As I told you, I have not any particular recollection as to the date of it, but if that is the correct date——

Q. That is the date given in the matter submitted by Mr. Lilley before the committee.—A. I think that the substance of that interview is correct.

Q. Have you any wish to change either the date of the receipt of this or the date of the publication of the interview? Think well before you make your answer.—A. I have given you my testimony just as I have it in mind, and I did not have to show you that memorandum. I did that of my own free will and accord.

The CHAIRMAN. I will then read the memorandum as an exhibit in this investigation received three days before this interview.

(The memorandum referred to is as follows:)

Loud voted for this $1,476,296 graft in the Naval Committee. There is a story in circulation that the Holland people got a prominent attorney to become a candidate against Loud last time; that Loud finally agreed to vote for the submarines upon deal that the attorney withdraw—that the attorney withdrew.

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Loud can be defeated on this proposition alone by you.

Watch Congressional Record.

Have your local papers play up proposition.

Have them write Loud for explanation and whether the withdrawal story is true.

That will be printed as a part of the record.

Does anyone else desire to ask this witness any further questions? If not, he is dismissed.

(Thereupon, at 1.45 p. m., the committee took a recess until 2.30 p. m.)

AFTER RECESS.

The committee met, pursuant to the taking of recess, at 2.30 o'clock p. m.

All members of the committee were present.

TESTIMONY OF NORMAN G. JOHNSON.

NORMAN G. JOHNSON, being first duly sworn, upon being examined testified as follows:

The CHAIRMAN. Mr. Stevens, will you ask the questions of this witness?

By Mr. STEVENS:

Q. What is your name, residence, and occupation?—A. Norman G. Johnson; New York City; lawyer.

Q. Are you connected in any way with the Electric Boat Company, referred to in this investigation?—A. Yes, sir; I am. I incorporated the company in 1899, drew the incorporation papers, and have been their general attorney ever since.

Q. What is the name of the firm you are connected with?—A. Frost & Johnson. Mr. Frost, who has been on the stand, has been my partner for over ten years.

Q. And you are the general counsel and have charge of the legal affairs of the Electric Boat Company?—A. I do, sir.

Q. Are you a director of the company?—A. I am not.

Q. Have you authority to employ counsel for the company wherever it may be necessary and whenever it may be necessary?—A. I have.

Q. You so employed counsel for the last five years for the purpose of carrying on the business of the company?—A. I have. I have not employed all the counsel.

Q. Will you give us the names of the counsel you have employed for the company in various parts of the United States in the past five years?—A. In addition to those mentioned in the record, or generally?

Q. Mention them all. Give us the name of every lawyer you have employed.—A. I employed some attorneys in New Jersey—Mr. Carter and Mr. Depue.

Q. For what purpose?—A. In litigation in those States. It had nothing to do with Washington.

Q. What city do they live in?—A. Newark. I retained Mr. Fessenden to try a case in Connecticut.

Q. Where did Mr. Fessenden live?—A. He lived in Stamford. He is dead now.

Q. What was his connection with your company?—A. He was retained solely to try a libel suit we had pending in the courts of Connecticut.

Q. Who else?—A. We have had a number of attorneys in New York City. Mr. Nichols, or their firm; Mr. Lindsay, who is here; and a firm named Dykeman, Leckey & Swats, Roberts and Honey; they were all retained in actual litigation in New York City.

Q. In what sort of litigation?—A. Active court litigation. I could name the cases.

Q. Have you had any attorneys in Massachusetts?—A. No, sir.

Q. What other attorneys in Connecticut?—A. Mr. Kellogg has been mentioned here. Mr. Frost has employed Mr. Kellogg. I knew about it at the time.

Q. What did you know of the necessity for the employment of Mr. Kellogg?—A. Our principal rival, the Lake Company, in Con-

necticut, and for the last five years Connecticut has been the seat or rather the origin of persistent rumors discrediting this company and its methods.

Q. Discrediting the Electric Boat Company?—A. Discrediting the Electric Boat Company; and Mr. Kellogg was retained, as Mr. Frost specified, as a general counsel, to counteract, so far as he could by general argument and by stating the history of our company and our wares, the libelous things that were being said about us.

Q. Did you employ Mr. Kellogg because he was interested in political matters?—A. Not at all. And in that connection Mr. Frost attended to his immediate employment. I knew that he had been retained at the time, just as in Mr. Gordon's case. I neglected to mention Mr. Gordon a moment ago.

Q. I will ask you about that in a moment. Did it not influence you somewhat in employing Mr. Kellogg that he was interested in political matters?—A. Never in political matters at all. We knew him to be a man of standing, and I think Mr. Frost retained him largely in an effort to throw some business to a college mate of his.

Q. How long ago was that that he was employed?—A. I think a little over two years ago.

Q. Was he employed because he happened to live in Waterbury, Conn.?—A. No; I think that had nothing to do with it.

Q. Did you know at the time of his employment that he happened to live in the same city with Mr. Lilley, a member of the Committee on Naval Affairs?—A. I did not. I do not think Mr. Frost did, either.

Q. Didn't you take that into consideration?—A. I did not know it at the time.

Q. You spoke of Mr. Gordon?—A. I did.

Q. Relate when and why he was employed.—A. About two years—I think it was 1906—I was counsel to a bondholders' committee in New York whose interests were connected with a bond issue by a railroad in the State of Michigan—the Detroit, Mackinac and Marquette land-grant bonds—and the committee had been formed in New York of local bondholders, this entire issue being practically by New York investors, in connection with the rights to an equity in the road. It is a long story. I was attorney for that committee, and one of the McMillans, Mr. McMillan, who is now dead, was interested in this road, and Mr. Gordon was a friend of his, and I employed Mr. Gordon in connection with the business of our committee in Detroit. As I could not leave New York, he came on to see me there and I met him, admired him very much, as I do now, and I introduced him to Mr. Frost and at that time the business of this company, which I might say, gentlemen, is not confined to submarine-boat manufacture, but they have a large volume of business in various parts of the country—the business of this company was getting a little too much for me. I thought that I needed counsel. I had felt that way for some time, and when I met Mr. Gordon in that connection I suggested to Mr. Frost that he would be a very valuable man. He was United States district attorney out there then. He was an authority on Federal matters, an authority on legislative construction.

Q. But he did not know anything about submarine matters or matters of electric construction?—A. No, sir.

Q. Wasn't it quite a distance to go to get an attorney to be associated with you in your matters in New York City?—A. Quite a distance; but we did not go there. He came to New York on this Marquette Railroad business, and it was a matter of chance, practically, that Mr. Frost met him through me.

Q. He stayed in New York only a short time?—A. Only a short time.

Q. Did you send him to Washington on your business?—A. He has come repeatedly to Washington on our business in connection with presenting various questions to the Navy Department.

Q. Who directs him usually to come to Washington?—A. Mr. Frost, as a rule. We both confer on it. I am generally conversant with his coming. I see him repeatedly in New York.

Q. Was he appointed before or after Mr. Newberry became Assistant Secretary of the Navy?—A. I think it was after. I think Mr. Newberry was Assistant Secretary of the Navy when we employed Mr. Gordon.

Q. Did you know at the time of his employment that he lived in the same Congressional district with Mr. Loud, a member of the Naval Committee of the House?—A. No, sir.

Q. Did you know Mr. Loud?—A. No, sir.

Q. Didn't you know where he lived, what Congressional district he lived in?—A. At that time I did not. I know now.

Q. Did you know at that time that he was a member of the Naval Committee of the House?—A. No, sir; I do not think I ever heard of him.

Q. Do you know any more about the Naval Committee of the Senate than you do of the House?—A. In a general way, although the Washington end of the business is really not my field. I have enough to do in New York. I come here; I have been down here on the business of the company, and I have been down here on my own business, too.

Q. Who selected Mr. Gordon, you or Mr. Frost?—A. I suggested Mr. Gordon's name to Mr. Frost, and Mr. Frost employed him.

Q. Did Mr. Frost look up his qualifications before he employed him, do you know?—A. I do not know what Mr. Frost did. I know I said a great many things in Mr. Gordon's favor, and I would like to say it now.

Q. What other attorneys? Did you employ any attorneys in the State of Pennsylvania?—A. Robbinson, Bidwell & Ward, of Philadelphia, whom Mr. Frost mentioned yesterday, have been employed in connection with some patent matters.

Q. That is all? That is the only connection with your concern?—A. Yes; I think so.

Q. Have you employed any attorneys in the State of Ohio?—A. Never.

Q. Have you employed any attorneys in the State of Maryland?—A. Never.

Q. Any attorneys in the State of Tennessee?—A. Never.

Q. Any attorneys in the State of Texas?—A. With the exception of Mr. Cowart, who was handed down by Mr. Creecy's régime. I did not employ him. I believe he lives in the State of Texas.

Q. Is he retained by your concern now?—A. He is.

Q. What is the nature of his employment?—A. The same as it has been for the last ten years, general counsel work and advice, as to matters before the Department here.

Q. Do you know whether he lives in Texas?—A. No, sir.

Q. Have you employed any attorneys in the State of Iowa?—A. No, sir.

Q. Or State of Oregon?—A. Never.

Q. Or the State of Missouri?—A. Never.

Q. What attorneys have you in the city of Washington?—A. We have Mr. McNeir, who, I may say, I consider one of our most valuable men. I do not think he has been done justice to on the stand. In this connection, in the securing of contracts from the Government, there are countless legal questions coming up all the time; the form of the contract, the signature of it, and the solicitor of the Department business is a very important adjunct. And Mr. McNeir has entire charge of that end. We have also ex-Senator Marion Butler, whose business is that of counsel here, but he does not go to the Department, and he does not understand, I think, the intricacies and details of Department matters. When I say detail I do not mean to say it is unimportant detail at all. It is very important detail. You have to make a study of it in itself to understand it. I could not do it at all.

Q. And Mr. McNeir does that work for you?—A. Yes, sir.

Q. What does Senator Butler do?—A. Senator Butler advises us as office counsel as a rule. I believe at times he has written a letter to the Department in our behalf, and he and I filed a brief last summer when the question of the right of the Secretary of the Navy to contract for an unsuccessful boat had been referred by the Secretary to the Attorney-General.

Q. So that Senator Butler confers with you and consults with you whenever you deem necessary?—A. He does.

Q. Who appears before the naval committees or other committees of the Senate and House under your direction?—A. I do not think during the last three or four years anybody has ever appeared for our company either before the Naval Committee of the House or the Naval Committee of the Senate.

Q. Who is the responsible person of your concern who determines your policy or procedure with relation to matters before Congress?—A. I should say that that was a matter that was determined by four or five gentlemen.

Q. Who are they?—A. I should say Mr. Rice, Mr. Frost, Mr. Spear, Mr. Gordon, myself, and possibly some others. I mean to say, that as various questions come up we refer them for advice to the officer whom we think is best able to advise us in that connection.

Q. That is, you and Mr. Frost, as general counsel for the company, refer the matter to whoever you think could best advise you?—A. That is it.

Q. So that what determines the matter lies with you?—A. Not solely. I think, as a rule, Mr. Frost, perhaps, does more of that than I do. He talks it over with us. We are partners. Our offices join in New York.

Q. Is Mr. Rice consulted much about this?—A. Mr. Rice has a *general* advisory capacity; he is consulted on almost every subject.

Q. When he is absent and abroad, what then?—A. Then Mr. Frost would be the fountain head there.

Q. Now, in the determination of what should best be done to advance your interests in legislation, do you hold consultation with these various gentlemen whose names you have given?—A. The general way, and as far as legislation is concerned our efforts are rather confined to the Department. You see, the submarine boat has been before Congress for so many years that it is pretty well understood in Congress, I think, and especially by the members of the naval committees who have been on them for years. We do not do much now in that line at all. Originally we had to show our boat, and, as Mr. Frost testified yesterday, we went to a considerable expense in arranging trips so as to bring the merits of the boat to Congress. But of late years there has been very little legislative effort.

Q. Are not you aware that there is considerable opposition to all submarine structures in the Navy and out of the Navy, in Congress and out of Congress?—A. I should say to-day quite the contrary was the fact. I should say to-day that Congress is very fully aware of the value of submarine boats. They know what is being done abroad from the press, and I should say the country as a whole was very much alive to the value of submarine boats.

Q. So that you do not think it is necessary to advise Congress of the advantage of having some submarines?—A. Not particularly.

Q. Do you find it necessary to advise the Naval Department of the necessity of having some submarines?—A. I think to-day their attitude is a very favorable one. We have difficulty in advising them to award us contracts at times.

Q. Now, do you confer with the Navy Department in submitting estimates for submarines?—A. Well, Mr. Spear attends to that matter. He is our technical man. I personally have never appeared before any official of the Navy Department.

Q. Are you not consulted about what should be done toward influencing the Navy Department to submit estimates for submarines?—A. In a general way, but we do not influence the Navy Department.

Q. You know what I mean by the word "estimate?" It is a technical term, described by the statutes of the United States.—A. I assume that you mean the report that the Secretary of the Navy makes each year, covering the outline programme?

Q. The outline programme for the naval establishment.—A. That was my assumption.

Q. Do you consult with the Navy Department as to what that should contain with reference to submarines?—A. No, sir; I do not think they would allow us to.

Q. Then you do not submit any argument as to what the naval officials should do, or the Navy Department should report with reference to that type of construction?—A. Never.

Q. When the matter reaches Congress and the items with respect to naval construction come to the Committee on Naval Affairs, what do you seek to do with that legislation?—A. We have left that entirely to the Naval Committee for years. Years ago, when it was a new matter, we tried to show them that our boat was a valuable weapon of warfare.

Q. Are you familiar with the legislation contained in the appropriation bills of 1906 and 1907, and with the pending bill of 1908?—A. I am as far as 1906 and 1907 are concerned. As far as 1908 is concerned my knowledge of it is derived from the press and what reports I have seen.

Q. In the naval appropriation bill of 1906 there was contained an item of appropriation and a provision for a test. What did you do with reference to the language of that provision?—A. Nothing.

Q. Did you not seek to have the language of the provision exclusive for the winner of that test?—A. No, sir.

Q. Was the language of that provision ever called to your attention at or about the time of the passage of the bill with reference to giving an exclusive contract?—A. After the passage of the bill it was made public and then it was called to my attention. In fact, I was asked for an opinion on the question of the proper interpretation of that language.

Q. By whom?—A. By the officers of my company, and I filed a brief on that point.

Q. With the officers of the company?—A. No. I filed a brief, in connection with Senator Butler, with the Navy Department.

Q. After the tests of 1907 did you have anything to do with conferring with the Navy Department with reference to what should be done?—A. Personally not.

Q. Were you consulted about anything?—A. Oh, yes; I consulted with Mr. Gordon about it, and with Mr. Frost about it, and Mr. Spear about it. After the tests, for a period of four or five months, we were engaged in attempting to get these contracts. We thought at the conclusion of the tests there would be an award in a few weeks, to which we were entitled, but it was not until late in November that the contracts were awarded.

Q. What do you mean by entitled to?—A. Under the law, entitled to it. I advised my company, and so feel to-day, that, under the wording of the statute, the successful competitor was entitled to the entire appropriation for submarine boats, and I have always thought that that was the intention of Congress.

Q. And that was your construction of the statute?—A. It was.

Q. Did you appear before the Naval Department in person to urge that?—A. Mr. Gordon did; I did not.

Q. Did you appear before the Attorney-General after the matter was left to him, in person, to urge that fact?—A. I never had the chance. He was off on his vacation at that time and the papers were all sent up and, in connection with Mr. Butler, I filed a brief in his office in support of our contention upon that question, and that brief, together with the brief of the Lake Company, were, I understood, sent to the Attorney-General while on his vacation and were considered by him while he was away from Washington.

Q. The test was held in May, 1907?—A. Yes, sir.

Q. The board which conducted the test, the trial board, rendered its decision a few weeks later?—A. About the end of June, I believe.

Q. Did you or Mr. Frost, or together, as counsel for your company, make a demand upon the Secretary of the Navy that you should have the award of the available appropriation for your boats?—A. I should say we made a request; I would not say demand.

Q. Well, a request?—A. We made several requests.

Q. When?—A. The minute the trial board filed its report, and I think about that time it was announced publicly in the press, we thought, owing to our being successful competitors, that we would be awarded the contract for eight boats, and shortly after that the Board of Construction, I think, recommended that we be awarded the contract for eight boats. And about that time, or shortly following it, we appeared before the Department and requested the award of the contract; and at that time—I understand this from my conversation with the officers of the company—we were informed that a rival company had protested against the award, and that the Secretary thought it wiser to leave two or three questions to the Attorney-General for decision and interpretation of the law. We then filed a brief supporting our contention and the matter was referred to the Attorney-General, and he wrote an opinion—well, he wrote an opinion entirely against our contention.

Q. Did you confer with the Secretary of the Navy as to why he referred any of these questions to the Attorney-General?—A. Not personally; no.

Q. Did you consult with any of the officers of your company as to the reasons why the Secretary of the Navy referred those questions to the Attorney-General?—A. I did. I gave them my advice as to what I thought his reasons were.

Q. What information came to you in your consultations as to why the Secretary of the Navy referred the matter to the Attorney-General?—A. The main reason was, that the Secretary, being a careful, cautious man, did not wish to proceed and award us contracts against the protests of our unsuccessful competitor, unless he had the opinion of the Attorney-General authorizing his interpretation of the law and our contention.

Q. But the Secretary of the Navy stated here upon his oath that it was his opinion that that clause was exclusive and that a contract should be awarded to the successful competitor.—A. I think that was his opinion, but I think the reason he did not was because the other side had raised the question that that was not the proper construction of the law, and the Secretary of the Navy very properly felt that as there might be some doubt on the question it would be wiser to refer the matter to the Attorney-General.

Q. In what way was the question raised before the Secretary of the Navy?—A. I do not know, but my idea is——

Q. What information came to you as to why this question was raised before the Secretary of the Navy?—A. Well, the counsel for the Lake people filed a brief in which they said that even though they had not succeeded in the test, they still thought that in the discretionary power of the Secretary he should award them some boats. I saw that brief afterwards. It was given to me by my friend, Mr. Brown, who is a partner of Senator Thurston.

Q. You have stated your company was awarded a contract for seven boats and subsequently the Lake Company was awarded a contract for one boat. Did those contracts embracing eight boats take all of the money that was available under the appropriation?—A. No, sir; I think there is money enough left for another boat still.

Q. Have you sought to secure a contract covering that?—A. We have.

Q. What has been your success?—A. We have had no success as yet.

Q. Has the Secretary of the Navy given any decision upon the matter?—A. I believe not.

Q. Has any other concern, to your knowledge, sought to secure a contract for the money that is available?—A. Not to my personal knowledge. I think other concerns have. I think the Subsurface Boat Company tried to. I suppose the Lake Company tried to get another contract. I suppose we have all tried.

Q. You consider, then, that an injustice has been done your company by the construction that was given to the acts of 1906 and 1907?—A. I do not wish to be put in the position of criticising the learned Attorney-General, but personally I did think so, and do think so.

Q. Feeling that way, as an officer in your company and desiring its success, what did you do to see that there should be no misunderstanding as to the language of future appropriations that might be made for such purposes?—A. Nothing.

Q. Did not you feel as the legal adviser of your company that something should be done to protect your interests in the making of appropriations?—A. Well, personally I felt that the language of the 1906 and the 1907 law was so absolutely plain and unequivocal that if that was open to the construction that was placed upon it by the Attorney-General, I could think of no clause which would in any way correct the language.

Q. Were not you consulted to have some draft made of a provision that should insure the successful competitor in these tests receiving the exclusive contracts under the act that is now pending?—A. Never, sir.

Q. As the legal officer of your company have you ever given directions or had any conferences concerning the framing of a clause that would give an exclusive contract under the provisions of the present bill now pending?—A. No, never.

Q. Do you know anything about the provisions of the bill that is now pending, with reference to submarines?—A. Only from the published reports in the press.

Q. Has not anything been brought to you officially as an officer of your company?—A. No, sir; I do not think it could be. I do not think it is public.

Q. Have you ever consulted or suggested to those Members of Congress who are interested in submarines and believe in the type that your company constructs having the language so framed that it would be advantageous to your company?—A. No, sir. I might say in that connection, Mr. Stevens, that the Secretary's official report that he published in 1907 contained a recommendation for four of the successful type of boats, and we rather assumed that that would be, to a certain extent, a guide to the Naval Committee in this year's programme.

Q. Have you ever been interested in political affairs?—A. Yes, sir.

Q. In helping candidates for public offices?—A. Yes, sir.

Q. For Congress?—A. Never for Congress, no.

Q. In what Congressional district do you live?—A. I live in Mr. Parsons's district in New York City.

Q. Do you know Mr. Olcott?—A. I have met him at the Republican Club. I am a member of the Republican Club. I have met

Mr. Bennet and Mr. Parsons and Mr. Olcott there. In fact, I have made a speech from the same platform as Mr. Olcott. I would like to say this: Although I say I know Mr. Olcott, I am not at all sure Mr. Olcott would say he knew me, because our connection is very slight.

Q. Have you ever conferred with Mr. Olcott in reference to submarine matters?—A. Never. I have never spoken to him on that subject at all.

Q. Have you conferred with any members of the Naval Committee of the House with reference to submarine matters?—A. Never.

Q. Can you give us the names of all the counsel who filed briefs or arguments or opinions with reference to those acts of 1906 and 1907, both for and against the construction that was adopted?—A. I am not sure that I can give you all.

Q. Give us all you can remember.—A. I think Herbert & Micou filed a brief for the Berger people. Mr. Thurston filed a brief for the Lake people. Senator Butler and myself filed a brief for our people, and I think that is all. I would say this: After the Attorney-General handed down his adverse opinion I received considerable criticism from my company because my brief had been such a short one, and Mr. Gordon was then asked to file another brief, and he and Mr. McNeir, I understood, filed quite a long brief, as you might call it, on that question, dissenting from the learned Attorney-General.

Q. Did you say that you were informed in any way of the opinion given by the Hon. Richard Olney, of Boston?—A. I think I have seen that.

Q. Where did that come from?—A. I think it came from Mr. Bowles, the president of the Fore River Shipbuilding Company.

Q. In what way was he interested?—A. He was very much interested. He was building these boats and expected to build the ones that would be awarded us, and he is now, as a matter of fact, building the seven that have been awarded us. He referred the learned Attorney-General's opinion to Mr. Olney for Mr. Olney's opinion.

Q. You have seen Mr. Olney's opinion?—A. I saw what I was told was a copy of it.

Q. While you have had the direction and charge of the legal affairs of your company, what, if any, contribution has your company made to political expenses in any way of anybody?—A. The company has never made a contribution of a cent, but I would say in this connection that from my long personal acquaintance with Mr. Frost and my long personal acquaintance with Mr. Rice, knowing both of those gentlemen, Mr. Frost for more than ten years and Mr. Rice ever since 1899, and in my capacity as general attorney of the company, I can state positively that there is absolutely no foundation for such a report or rumor.

Q. Then we are to understand that neither you nor Mr. Frost nor Mr. Rice, in your capacity as citizens or as officers of the Electric Boat Company, have never made any contributions for or against any Member of Congress in their political campaigns? Is that it?—A. With the exception of myself, that is true.

Q. What about you?—A. Well, sometime ago there was a postal card contribution, as it were, by the Republican party of $1, and I had one of them and I responded to that. I am a Republican. I have

contributed $1 to the campaign fund of the Republican party in Congress.

Q. What particular Congressman was that subscription given to?—A. I understood it was general.

Q. It was given to the Presidential——A. I think so—well, for general—I did not quite understand it. It came to me from the Republican Club, and I was very glad to send the dollar.

Q. The Republican Club of the city of New York?—A. Yes, sir. I am a member of that. And on that same point I would like to say that I personally, according to my limited means, contribute to the local Republican campaign funds in New York City. I have also contributed to Mr. Jerome's campaign fund and would be glad to again.

Q. Your company is very much interested in the legislation of the present Congress and in the administration of the various Departments here?—A. We are very much interested in the legislation that passes Congress so far as submarine boats are concerned, yes.

Q. Then you did not think it necessary for the welfare of your company to assist or help defeat any Member of Congress who is concerned in that legislation?—A. No; I should think it would be very poor policy in the first place. We have never done it, anyway.

Q. Have you ever adopted any sort of measure, or have any of the persons under your employment or direction ever adopted any sort of measure to help defeat any Member of Congress?—A. Never, sir, never.

Q. What department of your company has charge of the publicity, the newspaper end of your work?—A. I do not think we have such a department. Mr. McNeir is, in the way he has testified, that department, but I should not call it a publicity department.

Q. Has he authority to do whatever he thinks necessary in that matter?—A. No; he has not any authority. He has done some things, I think, on his own authority.

Q. And the company paid the bill?—A. As has been disclosed by the testimony in two isolated cases.

Q. What else have you done in that line?—A. I know of nothing else. I do not think we have done anything else. We have obtained clippings from foreign papers and reprinted them in literature form, and sent them to various people who might be interested in submarine boats.

Q. Haven't you had prepared pamphlets and newspaper accounts and magazine articles and forwarded to the public and Members of Congress and others who might be interested in submarine boats?—A. We have prepared pamphlets, and I think we have filed numerous pamphlets with the Department itself, perhaps.

Q. Who has charge of the preparation of those?—A. I could not say.

Q. Has it been in your department?—A. To a certain extent. We have taken matters from the files of official reports and bound them up so that they could be read.

Q. Has that been under your direction?—A. To a certain extent, yes.

Q. Who have you employed in that sort of work?—A. The printer.

Q. Who has prepared that sort of work?—A. It has been obtained from the files of the Department, as a rule, like the Lessler charges. We had those printed.

Q. Who compiles that sort of work, whatever you have done?—A. Well, I suppose as far as any compilation was necessary, Mr. McNeir did it. I think he got up the Lessler—they were simply reprints.

Q. What else have you done in that line?—A. That is about all.

Q. Haven't you prepared various pamphlets and circulars describing your boats and sent them to Members of Congress and others?—A. I do not remember having sent any to Members of Congress. We have a large mass of literature on hand which we have collected in the last ten years, and on numerous occasions, if anybody is interested in submarine boats, we give them all the literature we have got. I think on several occasions literature has been given to Members of Congress. I think Mr. McNeir testified to that. I personally never have.

Q. Who has authority to incur expenses in connection with your company?—A. I have. Mr. Frost has. Mr. Rice has.

Q. When expenses are incurred here in Washington, in what way are those expenses paid?—A. They are paid by check to the person incurring them.

Q. Who signs the checks?—A. Why, I hand in the voucher and say so much for such-and-such service, ordered on this case, and then it is O. K.'ed, and then the check is drawn and signed.

Q. You make a memorandum setting up all of the expenditure, and what do you do with that memorandum?—A. I take it to the treasurer.

Q. And he prepares the check?—A. And if it is O. K.'ed he signs the check.

Q. It is your decision that determines the amount of the expenditures?—A. Of course, if I incur an expenditure which is not properly explained, why—I have never done such a thing and I do not know what would happen. I suppose if I O. K.'ed any they would give a check for it.

Q. But you have authority to contract expenditures for your company?—A. In many directions. I have retained counsel and paid them, and when the bill went in I have included their pay in my own.

Q. Has Mr. Frost equal authority?—A. I should say so.

Q. Do any of the memoranda concerning expenditures in Washington pass through your hands?—A. There are a number of them. Of course all that I O. K.'d, and I do not think that I have ever O. K.'d any expenditures for Washington except my own, therefore that has been——

Q. Then you would not know anything about the aggregate expenses in Washington?—A. In a general way I have a very good idea of them.

Q. Outside of the account of salaries to persons like Mr. McNeir and Mr. Butler, have the expenses for Washington been large in the last four or five years?—A. No, sir; I should say they have been very small.

Q. What allowance is made for entertainment of your friends and those you desire to extend courtesies to in Washington and elsewhere by your company?—A. There is no allowance, particularly. I am down here now. If I ask Mr. McNeir to dine with me, why, I charge that expense to the company.

Q. Who has authority to incur expenses like that?—A. I should say I had, so far as I am concerned.

Q. Does Mr. Frost have such authority?—A. I should say he had. The same general authority to pay his hotel expenses and traveling expenses, and if he had some one to dine with him instead of dining entirely alone, I suppose, as an officer of the company, he would include that with his expense account.

Q. Have not your company's expense accounts from Washington shown in the last two years large amounts for the entertainment and courtesies extended to friends and public officials here?—A. No, sir; oh, no.

Q. Do you know anything about that?—A. I have very good knowledge; yes. There are not a great many papers, etc.

Q. If large expenditures have been made for such purposes, would the knowledge of that come to you?—A. I should say it would, sir; in the general course as counsel of the company I would be apt to know all about it.

Q. About how have those things run in the last four or five years; do you know?—A. I have my own personal expense account. I suppose that has run a couple of hundred dollars a year; two or three hundred dollars a year.

Q. How has Mr. Frost's run?—A. He testified yesterday about $1,800, I should say, a year. I go to the Shoreham and he goes to the New Willard. It makes a difference.

Q. In employing attorneys in the various parts of the country have you given them any instructions to confer with different manufacturers and persons of influence in those communities to stir up a sentiment favorable to the construction of your type of submarines?—A. No, sir; possibly I should except the testimony as to Mr. Kellogg, because he conferred with Mr. Lilley, and I understand he is a person of influence, but with that exception I think that is the only one that I know of.

Q. Have you conferred with Admiral Bowles?—A. I know the Admiral.

Q. With reference to having a sentiment created with whomever he does business, so that your type of submarine should be preferred by his influence and yours?—A. Never.

Q. Have you any sort of policy in connection with those who do your constructing, that they should assist you in creating a sentiment that should be favorable to your type of submarines?—A. We never had a policy. I suppose they have; hope they have.

Q. Have you ever employed anybody since you have had charge of the company for the purpose of lobbying, so-called?—A. Never, sir.

Q. Here in Washington?—A. Never.

Q. Do you know of any other newspaper or magazine men employed by your company outside of those stated by Mr. McNeir?—A. I do not.

Q. Who has charge of the books and papers of your company showing the expenditures in any way for the purpose of working before the Government, Congress, or the Departments in Washington?—A. We have no books showing expenses before Congress.

Q. You have books showing expenditures?—A. We have. Mr. Rice, president of the company, has charge of all the papers of the company.

The CHAIRMAN. Does any other member of the committee desire to ask Mr. Johnson any questions?

By Mr. OLMSTED:

Q. Mr. Johnson, you have mentioned a man by the name of Brown?—A. Yes.

Q. Who is that?—A. I don't know that I mentioned him.

Q. I thought you did?—A. Mr. Brown, yes, Mr. Thurston's partner, surely I know him.

Q. What is his full name?—A. I do not know. He is not the Brown that Mr. Rice referred to at all, he is a lawyer in good standing here in Washington.

Q. Do you know a man by the name of Skeerrett?—A. I do not.

The CHAIRMAN. Does any other member of the committee desire to ask Mr. Johnson any questions?

Is there any Member of the House of Representatives present who desires to submit any questions to be asked Mr. Johnson?

Mr. STEVENS. Representative Lilley desires the following questions to be submitted:

Q. Do you know Charles Reid, esq., of New Jersey?—A. Yes, sir.

Q. Has he ever been employed by your company?—A. Yes, sir.

Q. Did he ever come to Washington on business in relation to submarines?—A. I do not think so.

Q. Did he come to Washington during this session as to submarines?—A. I do not think so; no.

Q. Do you know whether he saw any Member of Congress on the subject?—A. I do not think he did; I am quite certain he did not, from what I know of Mr. Reid.

Q. Do you know whether he took lunch with any Member of Congress at the Capitol?—A. I do not know.

Q. What is the business of Mr. Reid?—A. He is one of our counsel in New Jersey. I thought his name had been mentioned. He is one of those I forgot to mention. He has been employed in actual litigation in New Jersey with Mr. McCarter and Mr. Depew.

Q. What particular line of work did he do?—A. In important litigation in New Jersey he is active and acts as my counsel. Of course, I am a New York lawyer, and when I go to Jersey I generally have to have a Jersey man to help me.

Q. He conducts your affairs in court?—A. Yes. He has never actually tried a case for us. As a rule, we have Mr. McCarter try the case for us, but we have a lot of litigation which has not come to trial yet in which Mr. Reid has consulted.

Q. Has he had any business for your company in Washington?—A. I think not, sir.

Q. Mr. Lilley desires this question submitted: Are there any other attorneys whom you have omitted to mention—that the members of your company have omitted to give the committee?—A. I am quite sure that the committee now has the name of every attorney we have ever employed since the year 1895.

Q. Mr. Lilley desires this question submitted: Have you ever received from the Electric Boat Company, from Isaac L. Rice, or E. B. Frost, any sums of money for which you have given vouchers showing the amount of the same or the character of the expenditure they represent? If so, state what.—A. I should say that I had on a great number of occasions received money from Mr. Frost and Mr. Rice for expenditures in connection with the various legal matters and litigation,

for which I give vouchers, referring to the case for which the money was expended.

Q. Vouchers referring to the object of the expenditure?—A. In many cases.

Q. Give the object of your business in Washington in 1908, after the passage of the naval appropriation bill by the committee.—A. I have not been down here, I do not think, until this investigation started, and then I came down because I understood I would be probably wanted as a witness.

The CHAIRMAN. Does any other Member of the House of Representatives desire to ask this witness any question?

The WITNESS. I would like to answer one question myself. I, as a lawyer, am a member of the Supreme Court of the United States, and also the highest court of my own State, and have occasion to advise clients on various matters, and I should like to know—I do not know of any objection to an attorney drawing an amendment. For instance, I do it in New York all the time, draw amendments for clients for the State legislature, and can see nothing reprehensible in it. I have never done it, as a matter of fact, in connection with this company, but I can not see anything reprehensible in drawing a proposed form of legislation for a client, neither can I see anything reprehensible in making an argument before a Member of Congress.

The CHAIRMAN. Who have those memoranda for expenses that you gave to the treasurer?

The WITNESS. Mr. Rice has them, the president of the company.

The CHAIRMAN. Is anyone else present, in person or by counsel, who desires to ask a question of this witness?

Is any other officer of the Electric Boat Company present who has been summoned?

Mr. LITTLETON. Mr. Treadwell is here.

TESTIMONY OF AUGUST TREADWELL, JR.

AUGUST TREADWELL, Jr., being first duly sworn, on being examined testified as follows:

The CHAIRMAN. I will ask Mr. Olmsted to examine this witness.

By Mr. OLMSTED:

Q. What relation do you sustain to this Electric Boat Company?—A. I am assistant secretary and assistant treasurer.

Q. Where is your place of business?—A. In New York, 11 Pine street.

Q. You are a resident of that State?—A. Yes, sir.

Q. You are the assistant to Mr. Barnett?—A. Yes, sir.

Q. What are your duties as assistant secretary and assistant treasurer?—A. As assistant treasurer, to sign any checks in Mr. Barnett's absence; in other words, to assist Mr. Barnett.

Q. When he is absent you act in his place?—A. As regards signing checks.

Q. And how about the secretaryship?—A. I suppose if anything should come up requiring the duties of a secretary, for that purpose too; I have not had to do it.

Q. He is generally there?—A. Yes, sir.

Q. Did you hear Mr. Barnett's testimony yesterday?—A. I think I heard most of it.

Q. State if you have any knowledge of any payment of the Electric Boat Company to the campaign fund of either party, Democratic or Republican, or any other political party.—A. I have no knowledge of any such fund; in fact, I am certain none have ever been made.

Q. Is there any book in the custody or keeping by the treasurer of the company or by the assistant treasurer in which there are any entries that would show any payments of that kind?—A. I know there is no book in my custody, because I have no books whatever. I am certain there has been no such payment ever made, and I don't see what books there could be containing such payments.

Q. Do not refer to any books in your custody unless you have them, because we have been told they are kept by Mr. Rice. Are any such books in your office?—A. Never to my knowledge. I do not think there is any such book.

Q. Have you signed or has Mr. Barnett signed any checks for that purpose?—A. No, sir.

Q. Have you signed or has Mr. Barnett signed any checks for newspaper publications?—A. Never to my knowledge; I know I have not.

Q. It has been charged before this committee in this language: "That a thorough investigation by an impartial committee will show that large sums have been by the Electric Boat Company, its officers or agents, contributed to campaign funds of Members of Congress who favored and favor the Electric Boat Company's monopoly of submarine construction." What have you to say to that?—A. I should say it is absolutely false.

Q. Also that large sums of money have been expended to accomplish the defeat of members of the Naval Committee who do not favor the Electric Boat Company. What do you say to that?—A. It is absolutely false.

Q. It has been charged that it can be shown upon investigation that certain representatives of leading newspapers have been subsidized and paid by the Electric Boat Company for favorable newspaper articles and reports in behalf of the said company. What do you say as to that?—A. I do not believe it is true.

Q. This occurred in the testimony of Representative Lilley before the Committee on Rules, question by Mr. Dalzell: "Then you suggest also that this company has expended money for the purpose of defeating Members of Congress. You must have some particular Members of Congress in view when you make that statement. Who are they?"

"Mr. LILLEY. I expect to prove that that has actually been tried."

State what, if anything, you know as to that.—A. That is absolutely false.

Q. Have any payments of money for that purpose been made through the treasurer's office?—A. Absolutely not.

Q. It is also stated by Mr. Lilley on that same occasion, "I do not claim that any money has been paid to bribe a Member of Congress. I do undertake to prove that money has been contributed to campaign funds, which morally is no different from passing a bribe across the table in the committee room as we pass a vote." Will you state whether or not any money has been paid by the Electric Boat Company for that purpose?—A. There has been no money paid to my knowledge, and I personally believe it is absolutely false, because there has *never been* a cent paid.

Q. It has also been charged in the newspaper article, which is a part of the record, "attorneys have been hired, who have usually been influential politicians from the home districts of members of the committee. They have brought all sorts of pressure to bear on individual members, and even candidates have been brought into the field to contest the nomination of members who have opposed the company's policy." Did you hear Mr. Johnson's testimony a few minutes ago?—A. Yes, sir.

Q. Will you state whether or not, as assistant treasurer or as assistant secretary of the company, or in any other way, you know of the employment or hiring of any attorneys other than those whom he named?—A. No, sir; I do not.

Q. Do you know of any payment of money to any other attorney than those that he named?—A. No, sir.

Q. It has been testified before this committee by Mr. Lilley as follows: "I also became advised of prevailing and persistent rumors that the Electric Boat Company had contributed in some Congressional districts, represented by the members of the Naval Committee, to their campaign funds, and that it had contributed in at least one instance to the campaign fund of the opposing party in the Congressional district represented by a member of the Naval Committee." What do you say as to that?—A. I believe it is absolutely false.

Q. You desire to be understood as saying, then, that no such payment was made?—A. Yes, sir; I do desire to be understood as saying that no such payment was ever made.

Q. It was also stated by Mr. Lilley in this language: "I further state that the question as to whether contribution or expenditures have been made in those certain Congressional districts represented by the members of the House Naval Committee can be shown by an examination of the officers of the Electric Boat Company and the presentation of their vouchers, checks, check books, and check stubs, as well as accounts." Will you kindly inform us where we may look for the vouchers, check books, and check stubs, and accounts which will show contributions of that kind?—A. Nowhere, because I do not believe that they exist.

Q. You mean to say that they have been destroyed?—A. No, sir; I do not believe that they ever existed.

Q. Do you mean to say by that, that you never put the entries into the books?—A. I mean to say that no such payments have ever been made and consequently no necessity for any such entries.

Q. Is there any other information upon the subject that you can give us?—A. No, sir; I think you have obtained all the information.

The CHAIRMAN. Does any other member of the committee desire to ask Mr. Treadwell any questions? Is any Member of the House of Representatives present who desires to ask Mr. Treadwell any questions?

Mr. OLMSTED. Mr. Lilley has submitted the following questions:

Q. Have you in your possession or under your control vouchers or other written evidences of the payment of money to attorneys or other persons for services rendered the Holland Torpedo Boat Company or the Electric Boat Company, and if so will you produce them?—A. It has already been testified that Mr. Rice has the custody of all the papers and books.

Q. Have you in your possession or under your control any checks, check stubs, or receipts in writing showing what sums of money have been received by attorneys or other persons for services rendered said companies, if so will you produce them?—A. The same applies, Mr. Rice has the custody of all the books and papers of the company.

Q. Where are such vouchers and other written evidences of payments kept in the ordinary course of the business of the company? Where are they now if you know?—A. Ordinarily kept in the New York office. Where they are now, at this moment I do not know, except that I know they are in Mr. Rice's custody.

Q. Have you in your possession or under your control any vouchers showing payments made to Mr. E. B. Frost for services rendered; also for payments made by him to any other person or persons or expenditures made by him for expenses in connection with the affairs of said company? If so will you produce them?—A. The same answer.

Q. They are in the custody of Mr. Rice?—A. They are in the custody of Mr. Rice.

Q. Did the Electric Boat Company keep any book in which was entered the accounts between the company and Isaac L. Rice or E. B. Frost, or attorneys or other persons employed by the company?—A. I presume so; I don't know; I never had anything to do with the books of the company.

Q. If so, what books are they and where are they at the present time?—A. Mr. Rice has the custody of all books.

Q. Did the Electric Boat Company keep any books of account showing moneys paid by it to Isaac L. Rice, E. B. Frost, Norman G. Johnson, and other persons employed as attorneys or otherwise in efforts made to secure legislative appropriations for submarines? If so, what books were they, how kept, who by, and in whose possession are they at the present time?—A. My answer to that is, as I firmly believe there have been no such payments made, there could be no such books.

Q. Also what you know generally as to where the committee can secure the books, vouchers, accounts, receipts, and other evidences showing such expenditures by said company.—A. All books are in the custody of Mr. Rice.

Q. This I am asking on my own account now. What books in the custody of Mr. Rice show such expenditures, that is, expenditures made to secure legislative appropriations for submarines?—A. If such expenditures exist they would, but as they never existed I do not see how they possibly could show it.

Q. This is the next question by Mr. Lilley: "Did the Electric Boat Company have an account with Norman G. Johnson?"—A. I presume, probably.

Q. Do you know whether it did or not?—A. I do not know to my personal knowledge; no, sir. I never had charge of the books, never had anything to do with them.

Q. Did it have an account with Mr. Creecy?—A. The same answer to that.

Q. Did it have an account with Mr. McNeir?—A. I will have to give the same answer.

Q. Did it have an account with Mr. W. G. Gordon?—A. The same answer.

Q. If so, where are these accounts, and how may they be secured by the committee?—A. The books and accounts are in the custody of Mr. Rice.

Q. Are all the books of accounts, vouchers, receipts, checks, check stubs, bank books, correspondence, and other written evidence showing expenditures of the Electric Boat Company now in existence? If so, where are they and how can they be obtained? If not, state fully as to what knowledge you have as to what has become of them.—A. All books we ever had are still in existence, and are now in the custody of Mr. Rice.

Q. The president of the company?—A. Yes, sir.

Q. This is Mr. Lilley's question I am reading: "Have any of the books of accounts, vouchers, or other papers such as above indicated [by "above indicated" I asume means the preceding question] been removed from the possession of the officers of the Electric Boat Company? In whose custody were they originally placed, or if any of the same have been destroyed?"—A. I firmly believe there has never been a single paper destroyed.

Q. And in whose custody are they?—A. Mr. Rice's custody.

Q. State fully any knowledge you have on this subject.—A. All the books and papers are in Mr. Rice's custody.

Q. Have you on your part, as an officer of the Electric Boat Company, any objection to the examination of the books and records of the character above indicated, by an expert accountant to be appointed by this committee and acting under its direction?—A. That is a matter I do not care to pass upon; that is a question of the policy of the company.

Q. You mean it would not be in your jurisdiction to determine?—A. That is what I mean; it would not be in my jurisdiction to determine; I have nothing to do with it.

Q. In whose jurisdiction would it be?—A. I might say here, I am not a director of the company and would not have any such jurisdiction.

Q. This is the next question submitted by Mr. Lilley: "Does the Electric Boat Company keep a ledger, and what other books of account does it keep?"—A. I believe it keeps all the books such as are kept by any corporation.

Q. Do all the expenses of the company appear upon those books? If so, upon which?—A. To my knowledge upon the books and records, but in which book I could not answer.

Q. Have any sums of money been paid to Isaac L. Rice, E. B. Frost, C. S. McNeir, Norman G. Johnson, for which no record appears on the books of said company? If so, state fully from your best recollection of such payments.—A. I firmly believe, in fact I konw, not one single penny could be paid to anybody that does not appear on the books.

Q. Did the Electric Boat Company prepare or cause to be prepared any annual or other balance sheets showing expenditures of money. If so, where are those balance sheets and how can they be obtained by the committee?—A. All papers that have ever been prepared are in the custody of Mr. Rice.

Q. I am asking on my own account—you did not state whether or not there were any annual balance sheets?—A. Well, I do not know.

Q. This is Mr. Lilley's next question: Are there in existence, or have there been made at any time, annual or other reports of the officers of the Electric Boat Company to its stockholders showing expenditures of money, to disclose in any way as to what such expenditures have been made for?—A. I do not know of any such statements being made.

Q. Does or did the Electric Boat Company keep a stock-transfer book showing the stockholders of said company as they may have been from time to time? Where is that stock register, in whose possession, and how can it be obtained by the committee?—A. Just as Mr. Barnett testified yesterday, according to the laws of New Jersey all the stock-transfer books have to be kept at the principal office in the State of New Jersey.

Q. Where is that office?—A. In Jersey City.

The CHAIRMAN. Is there any other member of the committee that desires to ask Mr. Treadwell any questions?

Is any Member of the House of Representatives present who desires to ask this witness any further questions?

Is there anyone else present, in person or by counsel, who desires to have any questions submitted to this witness?

If not, Mr. Treadwell, you may be excused and discharged as a witness.

On the 9th of March, at the first session of this committee, Mr. Lilley requested that the following witnesses be summoned: Marion Butler, C. E. Creecy, E. W. Creecy, F. P. B. Sands, Dr. W. R. Kerr, Frank L. Edinborough, and W. D. Gordon. All of these witnesses have been summoned before the committee, examined, and discharged. He also requested that the following-named witnesses be called by subpœna duces tecum: Isaac L. Rice, Elihu B. Frost, Maurice Barnett, August Treadwell, jr., Norman G. Johnson, and C. S. McNeir. These witnesses have all been examined orally, and it appears by the testimony of all of the witnesses who have been questioned that all of the books, papers, records, and memoranda called for are in possession of the president of the company. Several other witnesses have been summoned and examined by the committee. The committee would like to ask whether any Member of the House of Representatives desires to submit to this committee the names of any other witnesses to be examined in this hearing. If so, they will please submit the names and addresses of the witnesses, so that they may be summoned by the officer.

Mr. LILLEY. I shall desire to present some.

The CHAIRMAN. If you will just give the names to the stenographer, with the addresses.

Mr. LILLEY. I am not prepared to give them at the present time.

The CHAIRMAN. When could you hand them in?

Mr. LILLEY. Probably to-morrow.

The CHAIRMAN. Then the committee wish to give abundant notice to all members of the Naval Committee, or the members of the House of Representatives, that any witnesses whose names may be submitted to the committee, with the addresses, will be summoned by the com-

mittee. The committee, however, wish to say that as this hearing has been pending now for nearly a month and the names of no other witnesses have been handed in so that they could be subpœnaed, the committee would like to suggest that the names and addresses be handed in as speedily as possible The other witnesses that have been summoned will hold themselves in readiness for to-morrow morning at 11 o'clock. The question as to the production of the books and papers, witnesses who have already been examined—in other words, the committee understand that Mr. Rice holds himself in readiness to be recalled and that he has in his own personal custody all the books and papers and other memoranda of the Electric Boat Company. The question as to the method of production of those books will be taken up at a subsequent meeting of the committee, as well as the passing upon of any questions which have not yet been answered by witnesses and the submitting of any questions that have already or may hereafter be submitted to be propounded to the witnesses. It is the understanding then that the witnesses who are already summoned shall hold themselves in readiness and the committee will take a recess until 11 o'clock to-morrow morning.

(Thereupon the committee adjourned until 11 o'clock Friday, April 3, 1908.)

HEARINGS UNDER HOUSE RESOLUTION 288.

SELECT COMMITTEE UNDER H. RES. 288,
HOUSE OF REPRESENTATIVES,
Friday, April 3, 1908.

MORNING SESSION.

The committee met at 11.40 o'clock a. m., Hon. H. S. Boutell (chairman) in the chair.

All members of the committee were present.

The CHAIRMAN. The committee will be in order. Mr. Micou will take the stand.

TESTIMONY OF BENJAMIN MICOU.

BENJAMIN MICOU, being first duly sworn, upon being examined, testified as follows:

The CHAIRMAN. I will ask Mr. Olmsted to examine Mr. Micou.

By Mr. OLMSTED:

Q. You are a member of the bar, I think?—A. Yes, sir; I am.

Q. How long have you been a practicing attorney?—A. Oh, since 18—let us see, 87, I think—1888.

Q. Your present residence and field of occupation is Washington?—A. It is; yes, sir. I have been here over fourteen years now.

Q. Where have you lived and practiced law prior to that time?—A. Alabama, before I came here; and practiced law there for five years.

Q. You are a member of a law firm in Washington?—A. Law firm of Herbert & Micou; yes, sir.

Q. Your partner is——A. Hilary A. Herbert.

Q. Where did Mr. Herbert come from?—A. He is from Alabama; yes, sir.

Q. What part of Alabama do you refer to, Mr. Micou?—A. I lived for five years before I came to Washington in the northern part of the State, Anniston, but I was reared around Montgomery Ala., the same part of the State Mr. Herbert comes from.

Q. You have been practicing law for something more than twenty years?—A. Yes, sir; twenty-one years since I was admitted to the bar. For three years I did not practice law, but with that exception I have been practicing law and have never done anything else.

Q. You are a member of the bar of the Supreme Court of the United States?—A. Yes, sir; and of the district and supreme court of Alabama, all of the courts in the district.

Q. The same is true of Mr. Herbert?—A. Yes, sir.

Q. He is a member of the bar of the Supreme Court of the United States?—A. Yes.

Q. As well as Alabama bar and the District of Columbia bar?—A. Yes, sir.

Q. Your firm, I believe, is counsel for the Berger——A. Subsurface Torpedo Boat Company?

Q. In what State was that company incorporated?—A. I am not certain. Do you know, Mr. Pemberton?

Mr. PEMBERTON. New Jersey.

The WITNESS. New Jersey, I think. Their offices are in New York, and all my communication with them has been from there. I have never noticed about the corporation.

Q. How long has your firm of Herbert & Micou been counsel for that company?—A. Since the early part of 1903; in January, 1903.

Q. In a general way, what have been your duties in relation to the services on behalf of that company?—A. Well, the first service, as I recall it now, was in January, 1903. There was a hearing before the Senate committee at that time upon the subject of this submarine boat, when they were considering the matter of an appropriation for that boat. Mr. Herbert appeared at that hearing and represented the company, and in the appropriation act of 1903 there was a provision, there was an appropriation of $500,000 for subsurface or submarines—submarine or subsurface boats—and that is the result of that hearing. Then the next year, in 1904, I do not think we had any hearings at all, that same act, nothing had been done. The act had provided for the tests to be prescribed by the Department. Nothing had been done in that direction at that time, and there was a reenactment in the appropriation bill of $850,000, and that was about the only substantial change. In 1905 there was no appropriation at all for either submarine or subsurface boats under the appropriation bill, and in 1906 there was an appropriation of $1,000,000 authorizing the Secretary, in his discretion, to build these boats. The matter came along pretty much as a matter of course. At those times I do not remember whether we had any hearing or not. In 1907 under the act at that time the Secretary of the Navy had written a letter to the House committee requesting an extension of time for the trial of subsurface and submarine boats, so that the trial would not fall in the severe winter months, and recommending an extension of three months.

Q. Do you know at whose request—who requested that extension?—A. Yes, sir; it was at the instance of the trial board, if my recollection is correct: they themselves recommended such an extension. I had asked on behalf of my own company some little delay in the way of making their tests, because they did not think they would have their boat ready, and pending that the trial board itself made this request on account of the weather conditions, and that is what prompted the Department in making the request. When the bill was reported to the House I found that the language used in the bill was that the time was extended for the test of submarine boats, as recommended by the Secretary. The Secretary's recommendation had been as to both the submarine and the subsurface boats. I made an effort to have that changed, and prepared a letter to the chairman of the Senate Naval Committee, which I think is signed by Mr. Berger—

it may possibly have been signed by us, but he came down here at the time, and I think he signed the letter—setting out that the Navy Department had recommended an extension for both class of tests, and that the letter said that the time for the submarine tests extended in accordance with the recommendation of the Secretary did not make it clear as to the subsurface tests, and asked that they amend the bill so as to do that; and I think I suggested in that letter the insertion of certain words which would affect that amendment. As it finally was amended and as it came from the committee it was flatly changed from the language that I had suggested in that letter to the chairman of the committee. Then, after the passage of the act of 1907 and after the trials had been had up at Newport, the report of the trial board, which report was adopted by the board on construction, was to the effect that our subsurface boat was not properly comparable with the submarine boats; that it could be more nearly compared with a torpedo boat, but that in the absence of a full-sized model that they would not undertake to compare it with any boat beyond saying that it possessed certain features of superiority over a submarine boat and certain features of inferiority, the superiority being that it was not so vulnerable; that it had a greater steaming radius, and that it could be operated with a smaller crew; and the points that the board pointed out wherein the ordinary torpedo boat was superior was that it had a greater speed and that our boat had a greater draft—it was deeper in the water than the ordinary torpedo boat. I then appealed to the Secretary of the Navy to give us a portion of this appropriation——

Q. That is the appropriation of 1907?—A. Yes; the appropriation of $3,000,000, and I presented the matter to him orally, and I asked time to present it in writing, and I did prepare a brief to present to him on the subject in writing, but he went away about that time for a day or so and announced on his return that he was going to California for his vacation in a few days and that he would decide this question and one or two other questions before he left. The next day it had not been decided, and finally the time came for his departure and it had not been decided, and that afternoon it was announced to me by his private secretary, with whom I was in telephonic communication to know when his decision would be reached, that he had decided to leave the entire matter to the Attorney-General before making any awards, and that was done, and I presented the matter to the Attorney-General on a brief. I did not argue it orally with the Attorney-General, but I had some conversation with his private secretary about some portions of it, the Attorney-General being away in Baltimore, and he took the papers over to him.

Q. Just there, Mr. Micou, I do not care about the whole brief, but what was the main proposition? This was in opposition to the contention that the whole appropriation should go to the Electric Boat Company?—A. Well, there was no opposition whatever to the Electric Boat Company beyond the fact that we considered that under the wording of the act the Secretary had discretion to purchase some of our boats if he saw fit to do so, and that was really the decision that the Attorney-General afterwards made; and he contended that under that discretion this report that had been made on our boat would justify him in giving us part of that award.

Q. Your argument was in support of the proposition or construction which the Attorney-General finally adopted?—A. It was; yes, sir; as to our boats.

Q. Now, you have heard the testimony here; seven boats were awarded to the Electric Boat Company and one to the Lake Torpedo Boat Company, using up the appropriation within some $300,000 or $400,000.—A. Yes, sir.

Q. State whether or not your company, or you, on its behalf, endeavored to obtain contracts covering a part of that.—A. We did, sir. The situation after the Attorney-General's report was this, after his decision in the matter: The time that decision was rendered the Secretary was in California, and on his return I took that matter up with him here, arguing that we should have some of this appropriation, and he asked us to confer with certain technical people about the Department, among others Admiral Converse, about the boat, and we had some talk with him on the subject, and things drifted along in that way until finally he awarded conditionally a portion of the remaining fund to the Lake Boat Company, and left it open for a month, I think, as to whether—it gave them that length of time to decide whether they would accept the contract under that condition. He then told us if they did accept that there would be no way that he could give us a boat, because there would not be enough money left; he would be obliged to keep back a portion of this fund for changes and things of that sort that might come up, and extraordinary expenses, and that the only thing to do would be to go to Congress in that particular, and he on several occasions suggested to me to see the members of the committee about taking the matter up, and said he would speak to the committee himself when he went before them, which I understand he did. Just what he said I do not know.

Q. Did you then speak to members of the committee in accordance with this suggestion?—A. No; I did not personally see any members of the committee before the hearing that we had there. I think Mr. Pemberton did see Mr. Foss possibly, and one or two other members of the committee. I did not personally see any members of the committee before this thing came up.

Q. Did they come to see you?—A. No, sir.

Q. Did you have any conversation with any member of the committee before you actually went into the committee room where the hearing was?—A. I do not recall any conversation that I had at all with any member of the committee before we went in that morning. Mr. Pemberton notified me that we would have a hearing that morning, and I advised him to have these gentlemen come down from New York, asked the technical men, Mr. Babcock and Mr. Crane, who are practical boat builders and designers of the boats for which the bids had been submitted to the Department, as I thought there might be questions that the committee would want to ask about, and we were notified at the committee room that they were hearing the Secretary and at the close of that hearing they would hear us. It was after the House had met, probably 1 o'clock, when this hearing of the Secretary closed, and we were notified while the committee would not hear us formally, they were not giving a formal hearing, they would be glad to hear informally what we had to say.

Q. Who gave you that notice?—A. I think the messenger. We were waiting in the Rotunda, and as we were going in—I think Mr. Hobson made that remark to us as we were entering, if I remember rightly. There may have been some other member of the committee, but the statement was made there that we were to consider this an informal hearing, as the committee did not want to establish a precedent of giving formal hearings.

Q. The proceedings at that meeting were about as Mr. Berger testified to yesterday, were they?—A. Yes, sir; about as he testified. The meeting was not very formal; it was simply in the nature, you might say, of a conversation. In other words, it was more in the nature of answering questions than set hearing or examination of anyone—a statement by him. I made some statements myself on one or two questions that I was asked about by different members of the committee.

Q. Now, the committee had formally adjourned, it was not in regular session, it was not a formal hearing?—A. I could not tell you, sir, whether formally adjourned, when we came in; the rest of the members of the committee were there. My understanding was that it was not a formal hearing.

Q. Was the chairman of the committee there?—A. I think so.

Q. Did he remain during the hearing?—A. I think so, until the hearing was over. There was a great hurry of everybody to get away. I do not think anybody was there over ten minutes.

Q. Who secured that hearing for you?—A. I think it was Mr. Littlefield. I am not positive about that. Mr. Pemberton notified me they would have a hearing that morning, and he can testify; he had seen some one about it; I had not seen anyone on that subject.

Q. Does the Berger Manufacturing Company manufacture boats itself?—A. They have not manufactured any yet.

Q. You had one at Newport?—A. That was a quarter-size boat, model boat. I do not know where that boat was built; Mr. Berger can say. They had an arrangement with the Bath Iron Works to build any boat the Government might give them a contract for.

Q. New York?—A. No; Bath Iron Works, Maine; Bath, Me. Where this model boat was constructed I do not know, never thought of asking. I think, however, from what Mr. Berger said yesterday, it having been taken from Brooklyn to Newport, that it must have been made there somewhere.

Q. The long and short of it is, all of the companies were in the Navy Department and were attempting to get a favorable opinion from the Attorney-General and get contracts from the Department?—A. I suppose. I had no conference with other companies. I know the other companies had briefs. I did see the Lake Company's brief after the decision, not before, but that I understood that the briefs were given in from both companies.

Q. I will ask you a question that I think is proper to ask you as a lawyer of knowledge and high standing, and a member of the Supreme Court of the United States bar, well known, your prominence throughout the country: Do you see any impropriety in a lawyer of high standing submitting briefs or making arguments before the Secretary of the Navy?—A. None whatever, sir, that I can see.

Q. And before the Naval Committees of the House or Senate?—A. No, sir; I see no impropriety whatever in going before the Secre-

tary of the Navy or the committee or any subcommittee or any public official to whom the matter may be referred in which the client of an attorney may be interested. I see no impropriety whatever in going to see people in that way and interviewing them.

Q. There would be no other way to get your client's business before them, would there?—A. Not that I know, sir.

Q. Now, would you consider it improper for a lawyer to prepare a bill or an amendment to a bill to be submitted?—A. Not at all, sir.

Q. There would be no other way of having it prepared unless a Member of Congress were familiar with it?—A. Unless a Member would take the time to sit down and study out the case himself I see no other way that it could be done. I have frequently done that. I have done it at the suggestion of Members of Congress whom I may have asked to introduce a bill. They would say: "Will you prepare a bill and bring it to me?" I never took that to mean that they are not going to alter or change it if they see fit to do so. I do it merely as a suggestion for them to follow.

Q. I do not want to take you over the ground covered by another witness, but you heard Mr. Berger's testimony?—A. Yes.

Q. And it is substantially true, is it, so far as it related to preparing bills and amendments, is it?—A. Yes, sir. I would say this, that the provision that you read from the proceedings of the Naval Committee was not prepared by me at all, and I never heard it until you read it here the other day. I prepared the provision that is contained in the bill introduced by Mr. Littlefield, if I am not mistaken; it was probably introduced exactly as I prepared it.

Q. Will you state if this is it [handing paper to witness]?—A. I think this is very likely it; yes, sir. That was written in my office, I am satisfied, from the typewriting.

Q. That penciling.—A. No; I do not know anything about the penciling. Do you mean is that the Littlefield bill?

Q. I will say to you that that is the original bill introduced by Mr. Littlefield.—A. I have a copy of it, I can tell by comparison at once [comparing].

Q. What I have handed to you is the original bill produced by the clerk from the files.—A. This memorandum in writing, I do not know whose handwriting that is.

Q. What is the paper you hold in your hand?—A. This is a printed copy of the bill, sir. I did not compare it word for word.

Q. Will you just read that?—A. This is, leaving out the formal introduction, it begins this way:

> That the Secretary of the Navy is hereby authorized to contract for two large seagoing subsurface torpedo boats of the type represented in the test and proposals made under the naval appropriation acts of nineteen hundred and six and nineteen hundred and seven, having a speed of not less than twenty-two knots an hour, small subsurface torpedo boat having a speed of not less than twenty-two knots, and four small subsurface torpedo boats having a speed of not less than sixteen knots, and for such purpose the sum of one million dollars is hereby appropriated.

That is the bill as introduced.

Q. As you prepared it?—A. I am not sure whether that is exactly as I prepared it or not; I know I prepared a bill and gave it to Mr. Pemberton.

Q. Do you know Mr. Pemberton's handwriting?—A. I am sure of Mr. Pemberton's handwriting.

Mr. PEMBERTON. I can testify whose handwriting that is. I would like to say I could testify as to the cause for the pencil memorandum there; as to who wrote it I can only surmise.

Q. The provision that was inserted in the naval appropriation bill that year provided—that is the bill you have just read—for one large boat and two small ones?—A. Yes, sir; the bill that I have just read, though, provided for two large boats and four small ones, that Mr. Littlefield introduced.

Q. Now, do you know that this bill that you prepared covered an appropriation for $1,000,000?—A. Yes, sir.

Q. And the appropriation in the House committee $445,000?—A. Yes, sir.

Q. Can you tell me how the $445,000 was arrived at, how it happened to be so much below a million?—A. I think I can, sir. The bid for our large-sized boat was $400,000. The bid for the smaller-sized boat, as I recollect, was, for one, $25,000, for more than that up, $22,500 each. Those figures, $445,000, will just make the charge that we have named, $445,000 for a large boat and $22,500 for these smaller boats each, and I remember that when we were in the committee that a member of the committee asked at this hearing what these boats cost, and what we asked for these boats, and that is the amount estimated by some of us there, maybe by me, maybe by Mr. Pemberton, but I remember that inquiry was put. Then as to the difference in the amount in the bill introduced by Mr. Littlefield, you will notice that that provides for two of those large boats, that would be $800,000, and it provides for four of the smaller boats, which, putting it roughly at $25.000, would make $900,000. I remember saying to Mr. Pemberton: "While you are asking for this I think you might just as well put the appropriation at $1,000,000, and if they want to cut it down to these exact figures, they can do so." One reason that suggested itself to me to do that was that the way I had figured out the amount at which awards were made to the Electric Boat Company of the seven boats, that there ought to have been enough money left there to build one of the Lake boats and one of our boats, both.

Q. Out of the $900,000?—A. Yes. But we talked to the Secretary and he said no, there would be enough, because he had to keep back some for incidentals.

Q. The purpose of the bill that you prepared and that was introduced in the House, as you understand the object of that bill, was to secure for your company the appropriation, not only to fix the number of boats, but also to fix the compensation for it?—A. Yes; to fix an appropriation which would cover the price that we were asking for the boats.

Q. And then the appropriation in the House naval bill will, if it is passed, give to your company, the Berger Company, will result in giving it—at least that is the intention of it—to give it the one large vessel and two small ones at the price you had already bid.—A. It would give us a sufficient amount to build a large boat at the figure of $400,000, with our bid, and the small boats at the figure of $22,500, which was exactly our bid for more than one of those small boats.

Q. Then the purpose of it was to secure for your company the building of those boats at that price?—A. Yes, sir; I presume so; to give enough money for that.

Q. Now, is there any company that could secure that appropriation under this bill of 1908 if it should become a law?—A. I could not tell you that.

Q. Do you know of any other company that is in business competing for it?—A. I know of no company that is manufacturing any subsurface boats. I have been informed that the Electric Boat Company have patterns of some character of subsurface boat. Whether it is similar to ours or what it is I do not know; I never saw the patents.

Q. They are not manufacturing any?—A. They are not manufacturing any yet. Whether they would compete against us if this thing is passed I could not say, or whether any other company would.

Q. So far as you know, there would not likely be any?—A. So far as I know, not.

Q. Mr. Micou, this bill seems to have been prepared originally for introduction in the Senate?—A. Possibly so, sir. I expect I prepared several copies at the same time.

Q. Who introduced it in the Senate?—A. I do not remember. Do you, Mr. Pemberton?

Mr. PEMBERTON. I do not think it has been introduced in the Senate as yet.

The WITNESS. I do not think it has been introduced in the Senate as yet.

Mr. PEMBERTON. I can testify to that, too, sir.

The CHAIRMAN. Does any other member of the committee desire to ask this witness any questions?

Is there any Member of the House of Representatives present who desires to ask this witness any questions?

Is there anyone present, either in person or by counsel, who desires to ask this witness any further questions?

If not, Mr. Micou, you may be excused, and hope that your attendance has not inconvenienced your professional engagements.

Mr. OLMSTED. These questions have been suggested, Mr. Micou, and I will ask them.

By Mr. OLMSTED:

Q. You do not consider the fact that you and Mr. Herbert, your partner, coming from Alabama, make it criminally or knowingly wrong for you to be acquainted with the Senators or Representatives in Congress from Alabama, do you?—A. I hope not, sir.

Q. Whom of these do you or Mr. Herbert know?—A. Is that question from Alabama?

Q. Yes.—A. I think I know all of them, sir, and I think he does.

Q. On friendly terms with them all?—A. Yes; on friendly terms with them. Not terms of intimacy in every case, but always on friendly terms with them.

Q. I am glad to hear that, because they are very pleasant and agreeable people to know. To whom of them that you know have you ever spoken about legislation?—A. You mean in reference to submarine boats or other matters?

Q. Anything else?—A. Oh, I have spoken about other matters; I have spoken to Mr. Richardson; I know Mr. Clayton and the two Senators; and to Mr. Hobson, and to several—I have spoken to all of them, unless it is Mr. Craig, who is here for the first time. In

that connection, there are a great many of those old southern claims come here from Alabama, and very frequently they write to these Members of Congress and they refer them to me. I suppose I have spoken to all of them, first and last, about some matter of that character.

Q. Now, what members of the Alabama delegation, if any, have you spoken to concerning legislation for or in relation to submarine or subsurface boats?—A. I have not spoken to anyone in reference to that, except to Mr. Hobson, who is on the committee, and I do not think that I ever spoke to Mr. Hobson about it, I am quite satisfied, until after the hearing that took place then. I would have spoken, I say frankly to the committee—I would have gone to see Mr. Hobson, as I have known him very well, and would have spoken to him about it, and I mentioned to Mr. Pemberton I would be very glad to, and the Secretary had suggested our seeing the members of the committee. Mr. Pemberton knew Mr. Hobson very well and went to see him, and Mr. Hobson told him he examined these plans and expressed himself as thinking it was a very desirable sort of boat and being in favor of an appropriation to build some of them, and I have never said anything to Mr. Hobson about the matter, I think, except once since that hearing.

Q. Tell us what occurred then.—A. I was just thinking what did occur. My recollection is that I asked him when the bill would likely get out of the committee, and he said that he could not tell. I think that was about the sum and substance of it. I did not go to see him especially about it.

Q. Did you ask him what the committee had done about the subsurface appropriation?—A. I think I did ask him that. I learned from some source that there had been one large boat and two small ones provided for in that bill. I think I read that that day, possibly the next day, and this was several days afterwards I met Mr. Hobson, I do not know whether it was on the street car or at the Capitol, somewhere met him, and asked him simply a question about the matter.

Q. Between the hearing of the Naval Committee which you have said and the time when the subsurface proposition was put into the bill by the committee, have you talked to Mr. Hobson or some other member of the committee?—A. Between the hearing and the time it was put in?

Q. Yes.—A. I do not think I did.

Q. State whether or not you know if any member of the Naval Committee had prior to that period to which you testified seen or become familiar with the plans of the subsurface company?—A. Well, before the hearing?

Q. Yes, before the hearing.—A. I expect members of the committee, some of them, were familiar with the plans, because this matter had been before the committee before and I think possibly the plans were up there or had been sent up there from the Department. I did not give any plans to anyone before that day of that hearing, and I think the committee at that time—the time we came before it—had the plans. My recollection is that when we offered the plans some one said that they already had the plans there.

Q. You do not know where they got them?—A. The Secretary of the Navy told me about a week or ten days before he went before the

committee to please remind him to bring this matter to the attention of the committee, and I kept in touch with his private secretary to know when he would go up there a day or so before he went up. He was expected to go, as I remember, the day before he did go. I went up the day before that and learned from his private secretary that he would go up the next day, and I left a memorandum asking him please to bring the matter before the attention of the committee as he had asked me to do. What papers he took up I do not know.

Q. It seems to have been the intention that this bill which you prepared should have been offered in the Senate. Do you know what Senator was to offer it?—A. No, sir; I do not. I had not considered the matter of asking any Senator. I do not think I considered the matter of asking the Alabama Senators at all.

Q. You had not referred to any Senator at all?—A. Mr. Pemberton and I were discussing the question of whether we would simply go before the Naval Committee to try to have this thing put in, or whether we would consider the matter by trying to have a bill introduced, and we reached the conclusion, I remember, it would be better to have a bill introduced, and then it could be put on the appropriation bill when the committee got around to make that up, and I prepared bills for the Senate and House and gave them to him.

Q. State, Mr. Micou, what persons, if any, were present when the preparation of the bill was in course, or had any consultation concerning the offering of the bill, or necessity or occasion for offering the bill at all.—A. I do not recollect anybody beside Mr. Pemberton himself. He was talking about it to me in my office and my recollection is I got one of the old appropriation bills in which subsurface boats had been mentioned, and cut out a copy of the propositions that we had put into the Navy Department where was found a description of the boat about as it is found now, and told him I would dictate it, and I did prepare it during the day some time, to my stenographer, and it was there for him when he came in.

Q. Who decided what Member of the House would be asked to introduce it?—A. Mr. Pemberton decided that, as I recall.

Q. What was the result of the consultation between you and him?—A. My recollection of the matter is that Mr. Pemberton said to me, that he asked me to draw up the form of the bill, that Mr. Littlefield would introduce it in the House and he would consider about who would better introduce it in the Senate, and while I was writing it out I had one made for both, so as to save looking the matter up and getting it up to introduce in the Senate.

By Mr. HOWARD:

Q. Your partner, Mr. Herbert, is generally reputed to be connected with the rehabilitation of the Navy, the new Navy, so-called, started under his administration?—A. Yes, sir.

Q. He is generally favorable to enlarging and improving the Navy of the United States?—A. I think he is, sir; pretty generally known.

Q. That occurred in the Administration of President Cleveland?—A. Yes, sir.

Q. He has been identified in interest and sentiment with it since then?—A. Yes, sir. And I would state in that connection that I myself was chief clerk of the Navy Department for three years, and in that way have been pretty thoroughly identified with the Navy Department and a great many naval officers.

Q. Then, were you in the Navy Department under Secretary Herbert?—A. Yes, sir; the last three years of his administration; both of us have been identified with the Navy.

Q. Did you know Senator Morgan and Senator Pettus pretty well?—A. Quite well, yes, sir; knew them all my life.

Q. Were they approachable on a public matter?—A. I should say so; anything that was proper. I would hate very much to approach any one of them on anything else—would have hated to have done so.

Q. Never had any hesitation about approaching any of them on anything that you considered proper?—A. Never had any hesitation about talking to either of those gentlemen any more than I would to any member of the bar where I practice, and any business came up that it might be necessery to talk to them about.

Q. Never detected in either one a Diogenic suspicion of the honesty of mankind?—A. No, sir; I do not think I ever did.

TESTIMONY OF F. R. PEMBERTON.

F. R. PEMBERTON, being first duly sworn, on being examined testified as follows:

The CHAIRMAN. Mr. Olmsted will examine Mr. Pemberton.

By Mr. OLMSTEAD:

Q. You live in this city?—A. No, sir; I live in New York.

Q. How long have you lived in New York?—A. Fifteen years.

Q. Before that time where did you live?—A. I lived for five years or thereabouts in the South, in Tennessee, at Chattanooga, where I was interested in railroads, coal, iron, and so forth. Prior to that I lived in Philadelphia. Prior to that, as a boy, I was brought up in Virginia.

Q. You are pretty well acquainted with the country, then?—A. Pretty fairly; yes, sir.

Q. What is your present occupation?—A. I have not been in active business for three years. I retired from business about three years ago.

Q. What was your business up to that time?—A. That of a banker and broker, with offices at 15 Wall street, New York.

Q. Since that time?—A. Since that time I have traveled a great deal. I have had my sons with me in the Far East and all over this country. We have been to China, Japan, and Manila. We rode last summer nearly 3,000 miles in this country on horseback. I hope to do it again this summer.

Q. And since you returned from that trip?—A. Since I came back from the East, I repeat, I have had no active business, but I have two of my little sons here at school at the Episcopal High School across the river, and as a result of that I have been here for the past year a good deal, and I have been at my old home in Virginia a good deal. I have another son at Richmond, Va. I maintain a headquarters, a little office, in New York, at 35 Wall street. My residence is 12 East Thirty-first street, New York.

Q. State what relation, if any, you sustain to the Electric Boat Company, or to the Lake Torpedo Boat Company?—A. None.

Q. Or to the Berger Subsurface Torpedo Boat Company?—A. May I as briefly as I can tell you in reference to that?

Q. Certainly.—A. Some of the directors and stockholders of the Subsurface Torpedo Boat Company are my close personal friends. There is Mr. Halsey, whom I have known for seven years most intimately, and Hon. William Barber I have known and done business with for fifteen years.

Q. Is that the Barber of the asphalt company?—A. No; it is the linen thread man. Mr. C. E. Cuyler, now president of the Subsurface Torpedo Boat Company, of Cuyler, Morgan & Co., I have known for a long while. Mr. Halsey on a number of occasions has urged that I become closely identified with the Subsurface Company, as the other gentlemen have. Indeed, I have been invited in writing to become president of the company, I think, more than a year ago. I was invited to a meeting of the directors of the company some few months ago, I think in October, perhaps——

Q. Will I interrupt you if I ask a question?—A. No; not at all.

Q. You have been in the banking business, etc., and I assume that, as you are able to retire, you are something of a capitalist?—A. I am not dependent upon any further efforts. In other words, my income is sufficient for my maintenance.

Q. Then the effort was to secure your financial backing in this company, was it not?—A. No; not so much that. I think they had the impression, whether right or wrong, that my past experiences have been quite extensive: I have been very active in business for over thirty years, and I think they attached a value to that.

Q. You had a wide business acquaintance?—A. Yes, sir. I do not think the company requires any financial backing. The directors alone are men of great wealth.

Q. Are there any Members of Congress among the directors?—A. No, sir.

Q. Or stockholders?—A. No, sir. I was asked to attend a meeting of the directors, which I did, and this, I think, was in October past. I was then asked if I would not call upon the Department, upon the Secretary of the Navy, and do all that I felt I could properly do so as to gain the company a portion of the $3,000,000 appropriation. The reasons that they gave for suggesting that to me were, as they expressed it, that I was at leisure; "free" is the way they put it, I think, and I agreed to do it. I said I would with great pleasure. And I familiarized myself more or less with the situation and came here and called upon Secretary Metcalf, with Mr. Micou and Mr. Herbert. I thereafter called upon the Secretary a great number of times, sometimes with Mr. Micou, but more frequently alone. I urged with all the vigor that I could that a portion of this $3,000,000 appropriation should be given to the Subsurface Boat Company. I repeat, I called upon the Secretary a great number of times, and at his suggestion I called upon Admiral Converse a number of times; I wish now they had been more frequent, for my visits to him were always very delightful and instructive.

Secretary Metcalf declared that, as a result of his discussions with his technical advisers, he believed that the Government ought to acquire one or more of these boats promptly, but that under the provisions of the act of 1907 he was not disposed to assume the responsibility which he would assume if he appropriated a portion of this appropriation for the building of a new and therefore untried boat. *My last visit to* the Secretary—and I think I said to him, "Mr. Secre-

tary, in view of all you have said, upon mature reflection, I think that that is exactly what you should have done." He then said, "Mr. Pemberton, why don't you go to Congress?" and I said, "I shall go to Congress——

Q. Did you mean to become a candidate for Congress?—A. Oh, no. In that sense I would be very glad to be a Member of Congress, but I meant that a bill would be presented to Congress. He then said, "Do you know any of the members of the Naval Committee?" I said, "No, I do not." He said, "I would not suggest it to you, but wouldn't it be well for you to see Mr. Foss, the chairman, and any others that you think wise?" I said I would. It had been my intention to do so before this conversation with him. I then wrote a letter to my friend, ex-judge of the supreme court of Illinois, John Barton Paine. We were boys together. I asked if he knew Mr. Foss, and he said he did. I wrote to him I would be obliged to him if he would write Mr. Foss such a letter as he thought he might properly do, and he did write Mr. Foss. I called on Mr. Foss, and he referred to Judge Paine in a most agreeable, pleasant way, and said that I might come in whenever I saw fit to. I told him the purpose of my visit was to meet him, that my interest—or rather that I represented the Subsurface Torpedo Boat Company, and told him of my conversation with the Secretary of the Navy, and said that a bill would probably be introduced in Congress, and that I would be very glad if he would afford us an opportunity to familiarize him with the characteristics of this boat. I am not certain, but I think I sent to Mr. Foss a more or less elaborate description of the boat. I did not see him thereafter until the meeting which was accorded the representatives of our company by the Committee on Naval Affairs.

Q. Was that hearing secured by you?—A. Yes, sir.

Q. Through whom?—A. Mr. Littlefield. Either Mr. Littlefield or Captain Hobson, I am not certain which. Shall I right now tell you of that?

Q. Yes.—A. Just after the Spanish war, in 1898 or 1899, I think, I was chairman of a committee of gentlemen, Wall street men, and the puspose of this association, as they called it, was to provide means for the support of the families of soldiers and sailors who had left their families unprovided for. I think we had some 800 families that we took care of, and, as chairman of that committee, I had to resort to all kinds of measures to secure funds. Mr. Hobson had distinguished himself and was being very much referred to in the press, and it occurred to me that if I could induce him to deliver an address in New York it would bring to the treasury of this association a large sum of money. I called on Captain Hobson. I telegraphed the Navy Department, and the reply came that Mr. Hobson was in New York. I called on him, and he declined to meet my wishes at first, quite positively; very pleasantly, but rather positively. I wrote to him the necessity of this association for funds. I pictured to him the real needs of this great number of people and the difficulty there was to get money. He said to me, "Mr. Pemberton, it seems to me so meritorious that I am inclined to meet your wishes if it is agreeable to the Department." I then called on Cornelius N. Bliss, whom I knew very well, and who was then Secretary of the Interior, and I think within

two or three hours I had a telegram from the Navy Department saying it was entirely agreeable for Captain Hobson to make this address, and so I was brought into contact with him quite closely, very closely, and I saw a good deal of him thereafter.

Q. I have no doubt he made a very excellent address, and the meeting was an entire success.—A. Excellent. I think the result of that was a net return of some $12,000.

Q. That quite naturally made your relations very pleasant and agreeable?—A. Extremely pleasant. He brought his mother on to New York, and I entertained them.

Q. When was that?—A. That was just after the Spanish war, I think 1898—just after the Spanish war.

Q. While he was still in the Navy?—A. Yes, sir. Therefore it was that I had to seek the authority of the Department for him. Now, after having seen the Secretary of the Navy and having learned that he had made disposal of the entire appropriation of $3,000,000, the question of presenting a bill to Congress then arose. I met Captain Hobson at the Secretary's office. I was waiting to see the Secretary and he was in conference with him.

Q. You mean the Secretary of the Navy?—A. Yes, sir. We had a little talk in the presence of the Secretary, he joining in, and I then said to him, "Captain, I am going to call on you in relation to some Department affairs," and he said, "I should be very glad to see you."

Q. About what was the date of that?—A. That, I think, was in October, 1907. I did call on him within the next few days

Q. Was there any conversation had about his being on the Naval Committee?—A. No. I knew he was.

Q. Not in October, 1907, did you?

Mr. MICOU. It was later. It was after Congress met that you met Hobson in the Secretary's office.

The WITNESS. Oh, yes; that is true, but my first meeting, I think, was in October. Of course I could not know that he was on the committee at that time because he was not.

I repeat, after the Secretary had made disposal of the entire appropriation, I called on Captain Hobson; I submitted to him detailed drawings, blueprints, and so forth; I think I handed him a copy of our proposal to the Department.

My. Mr. OLMSTED.

Q. When was that?—A. That was after Congress met. This was after the meeting of Congress.

Q. After the appointment of the committees?—A. Yes, sir. I then knew he was a member of the Naval Committee. I submitted to him, I repeat, these plans, drawings, specifications, and copies of our proposals, and left them with him. Within a few days thereafter, a week or ten days perhaps, I called again. He expressed himself as feeling that the type of boat was one with a great deal of merit. I explained to him that the company had as the result of large expenditures of money, covering a great many years—I referred to the personnel of the directorate, and so on. This conversation followed immediately the expression of his views as to the merits of the boat. He asked a number of technical questions, to which I could not reply, but the replies to which I subsequently furnished him. A little while after that—I had some hesitancy in asking a member of the Naval

Committee to introduce a bill. I do not know whether there was any reason why I should not, but I felt it just as well not to do it, and therefore I did not. I made no reference to his introducing it, nor did he to me. I did say to him, "Captain, now as to whom I shall ask to introduce this bill, I know practically no Member of Congress." I did not even know the Member from my district in New York. I had met Mr. Cockran, but very casually.

Q. You are in Mr. Cockran's district?—A. I do not know. I do not know in whose district I am.

Q. I am afraid you are not much of a politician.—A. I am not much of a politician, no, sir.

Q. I thought everybody in New York knew Mr. Cockran.—A. I say I do know him, but only casually.

Q. And you do not know whether you are in his district or not?—A. I actually do not know. I was asked either by Mr. Littlefield or Mr. Hobson, I do not recollect which, who the Congressman was, and I said, "Who do you mean, the Congressman from where I live, or the directors live, or the corporation?" and I could not tell him.

Q. Was Mr. Littlefield present at this interview with Mr. Hobson?—A. No, not at all. I heard Mr. Littlefield make a speech in the House a day or two before, and was very much impressed by the vigorous, clear way that he did it, and I said to the captain, "How would it do for me to ask Mr. Littlefield to familiarize himself with this boat, and if it is one of merit, and he thinks so, perhaps he will introduce it." He said, "I think that is a very excellent idea. Do you know him?" I said, "No, I do not." He said, "I will introduce you to him," and we found Mr. Littlefield in his office, and Captain Hobson went into quite a detailed, lengthy description of this boat, and assured Mr. Littlefield that he had given a considerable amount of care in the examination of the papers that I had handed him, and he felt that an appropriation ought to be made, and without any suggestion from me—I do not know why I did not make a suggestion, perhaps it was because I had hoped Mr. Littlefield would say then, as he afterwards did—he turned to me and said, "Mr. Pemberton, I will introduce a bill if you would like me to." I said, "I shall be very much indebted to you." He said, "Have you got a bill with you?" I replied, "I have not, but I shall have one prepared. It will be very brief." Then I asked Mr. Micou to prepare a bill, which he did, and handed me one or more copies of a bill for the House and the Senate, and I put them in my pocket. I wanted to go to New York that afternoon. I telephoned out to the Capitol and found that Mr. Littlefield had gone, but I then telephoned his hotel, I think the Hamilton, and he was there and said he would be glad to see me, and I went up to see him, and I took this bill out of my pocket and handed him the one which was apparently intended for the Senate. That is how the bill, which I understand you have here, came to be introduced in the House.

Q. I will show it to you. This is the original bill?—A. This is the bill. Now, as to the pencil memorandum, the following day we were discussing this bill in New York——

Q. Who?—A. Some of the directors and myself were discussing this bill, and I raised the point that I believed it unwise to ask for an

appropriation for the purchase of boats from any particular concern, and that I felt it would be better to have the words "subsurface boat company" stricken out. I framed a telegram to Mr. Littlefield to about this effect: "Strike out the words"—describing them—"in the bill handed you yesterday."

Q. And they were stricken out?—A. They were stricken out.

Q. There were other changes made in the bill there in pencil?—A. In pencil. Captain Hobson said to me that in view—this was after the bill had been introduced and when it was in committee—that he felt it to be unwise, and, indeed, he would not ask for an appropriation for more than one of each type of boats manufactured or to be manufactured by the Subsurface Company; that no matter how apparently meritorious a naval vessel might be, its actual value could not be ascertained until it was actually built, and he therefore only asked in committee that one boat of each kind—that is, one large boat and one small boat that is different from the other small boat—in other words, there are features embodied in these small boats that are different from each other, and so it is the appropriation provides for one large and two small boats.

Q. That was Mr. Hobson?—A. Yes, sir. He further said that he would not advocate——

Q. When was this interview?—A. This was either in his office or at the Capitol. It may have been at lunch with him; I have lunched with him a number of times.

Q. Did you lunch with him or he with you?—A. I declare, I can not say. I haven't any idea. I know that I lunched with him and I believe that he lunched with me. I certainly invited him to. I have no doubt he has lunched with me. And I invited him to let me entertain him in New York, and I believe he would have accepted it except for the fact that he made an address before the chamber of commerce and was leaving on the midnight train.

Q. You did not give the date, I think, of the time when you discussed that change by reducing the number of boats?—A. It was some time prior to the action of the Naval Committee. It was while the bill was before the committee. I can not fix the date. It made no impression on me.

Q. It was before the subsurface boat appropriation got into the naval bill of this year?—A. As I understand it, yes.

Q. Was it before this bill was introduced?—A. No, sir; it was after this bill was introduced.

Q. I want to call your attention here to the fact that that which you hold before you is the original bill itself, which was introduced in the House by Mr. Littlefield.—A. Yes, sir.

Q. I want to ask you whether those pencil marks were part of the bill?—A. No.

Q. I beg your pardon, they are a part of the bill. It was introduced in the House in that form. The paper which you hold in your hand is the original paper.—A. Does the pencil mark form part of the bill?

Q. It does; and the printed copy of the bill which Mr. Micou had is in that exact language, including the words which are there in pencil.—A. I have no idea who made those pencil marks. This bill, without the words stricken out——

Q. Indicate the words stricken out.—A. "With the Subsurface Torpedo Boat Company."

Q. Those words appear now on the face of the bill, but with a line across them?—A. Yes, sir.

Q. Those words are the substance of your telegram to Mr. Littlefield?—A. Yes, sir.

Q. I will state to you that when a bill is introduced, the original paper, just as it was introduced, is preserved by the clerk and it is immediately printed. The paper that I hand you is the original bill as introduced by Mr. Littlefield with every mark on it just as it was introduced. The paper which Mr. Micou has laid before you is a printed copy of the bill, and you will find by comparison that as printed that leaves out the words you have indicated, across which the pencil mark is drawn, and includes the words which you will find in pencil. Now we want to know about these words in pencil on there.—A. I have no idea. That telegram is quite fresh in my mind, because the impression that I got that it would be unwise to ask that the Secretary be directed to contract with this company specifically. I have no idea whose this pencil mark is.

Q. That is paper which you handed to Mr. Littlefield?—A. Yes, sir.

Q. But at that time it did not have these pencil marks on it?—A. No, sir.

Q. And you do not know who put them on?—A. I have no idea.

Q. Do you know the handwriting?—A. No, sir.

Q. Did you talk with anybody, Mr. Littlefield, Mr. Hobson, or anybody about any alteration in the bill as you had prepared it and handed it to Mr. Littlefield, other than the striking out of the words you have indicated?—A. No, sir.

Q. Have you had any letter or communication from anybody with reference to that change?—A. No, sir.

Q. Or with reference to the introduction of the bill?—A. No; no letters or communications. Mr. Littlefield told me a few days afterwards, when I was here, that he had introduced the bill, and I wrote him a note thanking him for it.

Q. What did he say at that time?—A. He said: "I got your telegram and made the changes you suggested."

Q. But you suggested only one.—A. The "change" then.

Q. The other change, as suggested in the pencil addition, was not suggested by you?—A. No. sir; not by me, nor by anyone that I have any knowledge of.

Q. Not by any officer of the company?—A. No, sir.

Q. Had you noticed the change until your attention was called to it this morning?—A. Never. I do not think that I ever saw the bill—yes, I saw the bill, but I did not observe this change.

Mr. MICOU. I was going to say that I recall that I got a telegram from Mr. Pemberton or from Mr. Berger, asking me to see Mr. Littlefield about making the change, which was suggested in the telegram, in the bill. Upon the receipt of the telegram I looked in the Record and I found, as I recollect it, that the bill had already been introduced by Mr. Littlefield, and I never went to him or did anything about it. A day or so afterwards Mr. Pemberton was back here. I probably have that telegram at my office telling what change they wanted

made. If the committee want it, I can telephone and see if I can find it.

Mr. OLMSTED. Then the presumption is that Mr. Littlefield, who introduced the bill, himself made it before he put it in.

Mr. MICOU. That is what I would presume. No one else could have done it.

Mr. OLMSTED. Will you kindly read, so that the stenographer can take it down, the words which are in pencil?

A. "Of the type represented in the test and proposal made under the naval appropriation acts of 1906 and 1907."

Q. That language is stricken out which referred to the Berger Subsurface Boat Company?—A. Yes; doing exactly the thing which caused me to send the telegram.

Q. But your telegram applied only to the striking out of the name of the company itself?—A. The object of the persons with whom we talked was to ask that the Department be not directed to purchase of us those boats, and a little later on I will explain, or if you will permit me, now.

Q. Let me ask you right there. When Mr. Littlefield received your telegram, he struck out the name of your boat company?—A. Yes, sir.

Q. But whoever put in the pencil addition practically put it back in again?—A. I would so read it, yes, sir; I would interpret it that way.

Q. And that would make it exclusive?—A. I should think so. When the bill was before the committee, and in one of the conversations I had with Captain Hobson, he said to me, "Of course I am not going to ask that any appropriation be made for the purchase of your boats decisively. I do not know whether there are other subsurface boats, but if there are, and if they are better than yours, the Department ought to be and must be placed in a position to buy them rather than yours." I said, "I think that is entirely proper; that is agreeable to us." I said, "I understand that there are other patents for boats somewhat similar to ours."

Q. Is there any other company or firm so far as you know striving to get any appropriations in this year's bill for subsurface boats?—A. No, sir. I think the Subsurface Torpedo Boat Company was the only one that was trying to get an appropriation.

Q. Then there was no other company assisting you to get that provision in?—A. No, sir.

Q. So far as you know, it is purely a proposition of the Subsurface Torpedo Boat Company?—A. Yes, sir. I asked Mr. Littlefield or Captain Hobson if they had got a copy of the clause of the bill which referred to the Subsurface Company.

Q. You refer now to the appropriation bill?—A. Yes, sir, and I secured that. I went to the Naval Committee's office and was allowed to make a copy of that portion of the bill, and I think the provision is one which would not make it exclusively apply to the Subsurface Torpedo Boat Company. In other words, I think it provides that any boat more or less of that type can be purchased under the bill.

Q. You would not have troubled about the bill unless you expected to get the contract?—A. No, sir, and I believe if the appropriation is made we will get it.

Q. Is that the end of the statement that you desire to make?—A. I do not recall anything else.

Q. I will ask you now, as I have asked lawyers of high standing, as a business man of high standing, if you think there is anything improper in the course that you have pursued?—A. No, sir.

Q. Either with the Secretary of the Navy or Members of Congress?—A. No, sir.

Q. Would you consider such conduct improper on the part of other companies seeking like contracts for appropriations?—A. No, sir. I think that an officer of a corporation who was not careful to see that he was awarded a portion of an appropriation, under similar circumstances, or did not endeavor to see that a bill was properly introduced and properly looked after would be derelict in his duty if he would fail in those things. It would seem to me so.

Q. I have forgotten whether you have said that you were an officer or director of the company.—A. I am neither.

Q. Or stockholder?—A. No, sir; nor stockholder. I have been invited to become president of the company; it is even yet at my disposal. It is a matter of record——

Q. That matter is still under consideration?—A. Yes, sir.

Q. And that and your friendship for the gentlemen who are directors—or some of them—has led you to take an interest in the matter?—A. Solely.

Q. Did Captain Hobson at any of these interviews express his views on submarine torpedo boats?—A. Yes, sir.

Q. Do you mind stating what they were?—A. Oh, very favorable. I think he has expressed the opinion to me that the Government ought to have more battle ships, more submarines, more torpedo boats.

Q. Did he indicate how many submarines were desirable?—A. No. He said this to me: That he was so firmly convinced of the desirability of having four battle ships that he would, if it became necessary in order to secure that number of battle ships to oppose an appropriation for any other character of vessels, that he would do it.

Q. His judgment and his experience in the Navy would consider battle ships of more importance than any other naval craft?—A. Yes, sir. He thinks the others are very essential, but battle ships are more so.

Q. He considers the submarine torpedo boat a useful arm of the naval service?—A. Yes, sir.

Q. Did he express any preference or opinion as to the desirability of any particular type of submarine torpedo boat?—A. No; I do not think we ever discussed any type.

Q. Or as to the number that it would be desirable for the Navy to own?—A. I think he never mentioned any number. A greater number—the impression he gave me was that the Navy ought to acquire more boats of the various types than it had, or that was provided for in the naval appropriation bill.

Q. He thought it ought to have more boats than were provided for by the appropriation bill of 1908?—A. That is the impression I got.

Q. He considered that battle ships were the first necessity?—A. Yes, sir.

Q. In any of these conversations or interviews was anything said about the location, or the fact that the iron works were located at Bath, Me.?—A. I think not. I do not recollect anything of that kind. It certainly never occurred to me.

Q. Was anything said as to where the boats would be built if contracts were given to your company?—A. Yes, the proposals to the Department, a copy of which I showed him—it is shown in the proposals where they are to be built.

Q. That showed upon its face that they were to be built at Bath, Me.?—A. Yes, sir.

Q. To whom did you show these plans or specifications, or whatever they were?—A. To Captain Hobson.

Q. To anyone else.—A. No; I did not show them to Mr. Littlefield. Captain Hobson described them quite in detail, but I did not show the plans to Mr. Littlefield.

Q. Did he describe them to you and to Mr. Littlefield?—A. Yes, sir. I was going to say that if Captain Hobson had not been a naval constructor, if he had been a layman, perhaps, I would not have furnished him with those plans, etc. They are entirely incomprehensible to me, and I think they would be to most laymen, but he grasped the situation very promptly. He remarked to me, after looking at them, "I can understand why Admiral Converse expressed himself as feeling that the Government ought to have more of those boats, to try them at least." He asked me, I think it was before the final action of the Naval Committee, if the Subsurface Torpedo Boat Company would be willing to construct those boats at a cost of, say, $445,000, without any payment from the Government during construction, and I replied, "with a contract to take the boats if they met the specifications." He said, "No, not of necessity, but would you be willing, would your company be willing, to build those boats at their own expense and leave it discretionary with the Secretary to make their purchase, directing them to purchase if, in his opinion, they possessed features of naval value?" I replied, "Yes, we will do that." And so it is I think the provision in the appropriation bill. It is not obligatory upon the Secretary to purchase them even if they meet the specifications.

Q. Captain Hobson is actuated apparently by his well-known desire for an increase of the Navy?—A. Nothing else.

Q. There was not in any of these interviews any attempt to conceal the fact that the boats would be built at Bath, Me.?—A. On the contrary, it is set forth in the proposal that I handed him, copies of which are on file at the Department.

Q. But which you did not hand to Mr. Littlefield?—A. No, sir. Perhaps it is not inappropriate for me to say that when I met Mr. Littlefield Mr. Hobson remarked to him of his having known me for a number of years and of my general reputation as being a person who might be relied upon.

Q. You selected Mr. Littlefield, or the name occurred to you, first from the fact that you heard him making a speech in the House?—A. Yes, sir.

Q. And because you looked upon him as a strong man?—A. Yes, sir.

Q. State if you know who actually drew the provision in reference to the subsurface torpedo boats which has gone into the naval appropriation bill of 1908.—A. I do not know, but I believe Captain Hobson did it.

Q. He, unlike most of Congressmen, has the technical skill and ability to prepare his own amendment?—A. I should think so.

Q. Did you ever see it before it was introduced?—A. No, sir. I did not see it for some days or some weeks after it was finally passed by the Naval Committee.

Q. How did you know that it had gone into the naval appropriation bill?—A. Captain Hobson told me so.

Q. When was that?—A. Either the day or the day after the committee had passed the bill.

Q. But you did not see the exact form of it?—A. No, sir.

By Mr. HOWARD:

Q. Mr. Pemberton, that bill when presented to Mr. Littlefield had contained in it a provision that these boats were to be built outside of the United States, and Mr. Littlefield amended the bill by striking out the words "outside of the United States" and inserted in lieu thereof "in some place in the United States." Would you have considered that a proper and patriotic action on his part?—A. Perfectly.

Q. And if it had been so amended and the boats had been built in the United States, would not it of necessity have happened that they would have been built in the district of some Member of Congress, somewhere?—A. I think so.

Q. Then, if this coincidence had resulted, they being built in the district of some Member of Congress, would that have led to the inference that it was corruptly done?—A. No, sir; positively not.

Q. It was a mere coincidence that you fell upon Littlefield to introduce this bill?—A. No, sir; it was chiefly due to the splendid address I heard him make and the strength of the man generally.

Q. But the coincidence was rather that a very splendid, capable man happened to represent a district in which there was a shipbuilding plant, and it was a coincidence that the shipbuilding plant was in the process of contracting to build those boats for you?—A. Entirely so.

Q. So there may be some innocent coincidences in American public life?—A. I think so.

The CHAIRMAN. Is there any other member of the committee who desires to ask Mr. Pemberton any questions? Is there any Member of the House of Representatives present who desires to ask the witness any questions? Is there anyone else present, either in person or by counsel, who desires to have any questions submitted to this witness? If not, you are excused and discharged, and I trust we have not kept you away from your business.

The committee will now take a recess until 2.15 p. m.

AFTER RECESS.

The committee met at 2.15 o'clock p. m., pursuant to the taking of recess.

TESTIMONY OF JESSE L. CARMICHAEL.

JESSE L. CARMICHAEL, being first duly sworn, upon being examined testified as follows:

The CHAIRMAN. I will ask Mr. Stevens to examine Mr. Carmichael.

By Mr. STEVENS:

Q. What is your name, residence, and occupation?—A. Jesse L. Carmichael; I presume I may say that I live in Washington, 1338 New York avenue; office address, 46 Post Building; occupation, newspaper correspondent.

Q. What paper do you correspond for?—A. Detroit Free Press and Los Angeles Times.

Q. How long have you represented the Detroit Free Press?—A. Since October, 1906.

Q. As such correspondent you keep on familiar terms more or less with members of the Michigan delegation?—A. I try to.

Q. So that you know them?—A. Yes, sir.

Q. As a part of your duties what do you do about securing news concerning them or their doings for your paper?—A. I attempt to see them every day, or whenever I can find them, find out what local news there is, and transmit it to my papers.

Q. Have you received any communication concerning this submarine matter and Mr. Loud's connection with it?—A. I received a letter.

Q. When?—A. February 13, 1908.

Q. Have you that letter?—A. I have.

Q. Will you produce it?—A. I will [witness produces letter]. There is a memorandum made on the back of the envelope which is not connected with this matter.

Q. This letter is addressed on the face, "Detroit Free Press, Washington, D. C.?"—A. Yes, sir.

Q. With a post mark, "Washington, D. C., '08, Feb. 12, 8 p. m."—A. Yes, sir.

Q. On the back of it, "The New Willard, Washington, D. C., 1908, Feb. 12, 7 p. m."—A. Yes, sir; I can not understand about the marking, but they tell me at the Post-Office Department that sometimes they do not keep the hours exactly right.

Q. When you received this letter what did you do with it, and what have you since done with it?—A. When I received that letter I thought the matter over and did not do anything about it for a day and a half, I should say, then I made a copy of the letter, which I sent to the managing editor of the Free Press at Detroit, Mich. I made the suggestion to him that he communicate with his correspondent at Saginaw and see Mr. Edinborough.

Q. Has your paper a large circulation in Michigan, and is it a paper of repute?—A. It is so considered; yes, sir.

Q. And has a national reputation?—A. Yes, sir.

Q. What have you since done with that letter?—A. It has been in my possession continually. In fact, it has never been out of my *pocket*. It has not been in desk or anything. I have carried it in my *pocket*.

Q. Did you speak to Mr. Loud about this letter?—A. Yes, sir; I did.

Q. When did you speak to him about it?—A. I was trying to think. I think the night after the Lilley charges were made.

Q. Do you recall the date of that?—A. No, sir; I can not exactly recall the date, because I can not recall the date when the Lilley charges were made.

Q. Do you mean the date that Mr. Lilley introduced his resolution in the House?—A. I would not be certain about that, because it seemed to me that Mr. Loud was away, but as soon as I found him—it was at the Dewey Hotel, about 6.30 o'clock, and I showed him this letter.

Q. Had you shown it to anybody else previously?—A. Yes, sir.

Q. To whom?—A. George Miller, correspondent of the Detroit News.

Q. Had you shown it to anybody else?—A. I think I did.

Q. To whom?—A. Well, I don't remember now. I remember being up in the office one night and some of the fellows were in, and I said: "Here is a funny thing. I have received an anonymous letter." This was before I showed it to Mr. Loud, and I showed this letter to some of the newspaper boys, one or two; I don't remember who they were. I think Mr. Sprayer, maybe.

Q. Newspaper men in the Washington Post building?—A. Yes; some newspaper men in the Washington Post building whose names I can not remember.

Q. I will read the letter:

THE NEW WILLARD, WASHINGTON.

For Mr. CARMICHAEL:

A Congressman does not want to get what happened to Lessler. Here is a big story tip for what it is worth. The submarine people brought out a candidate—a prominent lawyer—against Loud. He withdrew upon agreement of Loud to vote for submarines. Frank Edinborough, Michigan State senator, former secretary to Loud, knows details.

Do you know anything about the facts stated in this?—A. I do not.

Q. Did you examine the facts that were tipped off to you by this communication?—A. As I have stated, I sent a copy of this letter to the managing editor of the Free Press, Mr. Phil J. Reed, and suggested to him that his correspondent in Saginaw see Mr. Edinborough. Mr. Edinborough not being here I could not talk to him, of course, and so they made the investigation up there.

Q. And you have done nothing further about it?—A. I saw Mr. Loud about it.

Q. What did he say?—A. Mr. Loud said he did not know anything about it. As far as he knew, it was not true.

Q. Is that all the information you have concerning this letter?—A. That is all the information I have in regard to the letter. I know nothing about the origin of it or anything at all.

Q. Has anybody come to you about the facts in that letter to give you any further information?—A. No, sir.

Q. Have you learned any further information?—A. I could hardly answer it that way, not in regard to the letter. Of course I have been compelled to follow the investigation as it has gone along for my newspaper, but I would not say that I had investigated the contents of that letter.

The CHAIRMAN. It is the general scope of the investigation which you follow?

The WITNESS. Yes, sir. As regards the letter I know nothing about it.

The CHAIRMAN. Is there any member of the committee who desires to ask this witness any questions, or any Member of the House present, or anyone else present, either in person of by attorney, who desires to ask this witness any questions? If not, that will be all.

Mr. Lilley, you have been sworn. You have submitted the names of two attorneys that you would like to have subpœnaed, Henry Catlin, address in Washington in 1900, but home town was Chestertown, Md. Can you give the place where the officer can now find him?

Mr. LILLEY. I can not. All I know about it is he was employed in 1900, when the boats were here, down the river, and the information that comes to me is that he was entertaining Members of Congress in these in that year.

The CHAIRMAN. In 1900?

Mr. LILLEY. When these boats were here—I think 1900 and 1902.

The CHAIRMAN. You can not state anything of your own knowledge about this matter?

Mr. LILLEY. No, not of my own knowledge.

The CHAIRMAN. The other man's name is Victor L. Baughman.

Mr. LILLEY. That was given me by a former Member of the House, at one time on the Naval Committee, as being an attorney that had something to do with an effort to defeat him for Congress.

The CHAIRMAN. This was back in 1902 or 1904?

Mr. LILLEY. Well, it was just before I went on the Naval Committee.

The CHAIRMAN. You have no knowledge, personally, and make no charge, personally?

Mr. LILLEY. No; just what I hear from this man. May I give you the Member's name?

The CHAIRMAN. It is not necessary to have the Member's name.

Mr. OLMSTED. He is not a Member now?

Mr. LILLEY. No, sir.

The CHAIRMAN. I just want to ask one other question. Whether you could prove, or expected to prove, or had any information by which you thought you could prove by these witnesses anything reflecting on the membership of the Sixtieth Congress?

Mr. LILLEY. Why, no.

The CHAIRMAN. Mr. Olmsted, of the committee, has just had a long-distance telephone in reference to the illness of one of his children, and unless there is some witness here who would be inconvenienced by recess at the present time, aside from those who have been summoned duces tecum, the committee will now take a recess until 11 o'clock next Monday morning, at which time the question of the production of the documents and books called for in the subpœnas duces tecum of all witnesses will be taken up by the committee.

Mr. LILLEY. Might I be permitted to use two or three minutes of your time? It is just a little incident that occurred in regard to Mr. Taylor, in regard to the Waterbury Club.

The CHAIRMAN. Under Mr. Olmsted's request, I should feel that, as a member of the committee, we ought to adjourn.

Mr. OLMSTED. If there is anything reflecting personally on Mr. Lilley——

Mr. LILLEY. It rather reflects upon me.

Mr. OLMSTED. I think we should hear it now.

Mr. LILLEY. It is just this, that while lunching at the Waterbury Club, I think there were several sitting about the table, some person asked me what would be my course in the event of an adverse decision, and my recollection is that Mr. Taylor had walked in and passed through before I had answered the question, and he heard my answer, which was this, that in the event of an adverse report I would have the privilege on the floor of the House of stating my side of the hearing.

The CHAIRMAN. You did not state that you would bring before the House new facts which you had not brought before the committee?

Mr. LILLEY. Not at all. I talked it over with Mr. Taylor afterwards, and he agreed with me, and said I was correct, but I did not think it was worth while to recall him.

The CHAIRMAN. And your statement of March 9, under oath, that you had told what you knew of your own personal knowledge was correct?

Mr. LILLEY. Of my own personal knowledge.

The CHAIRMAN. And you have nothing which you will tell on the floor of the House that you will not tell to-day?

Mr. LILLEY. Certainly not.

The CHAIRMAN. Then the committee will take a recess until 11 o'clock Monday morning, when the question of disposing of the subpœnas duces tecum will be brought up.

(Thereupon the committee adjourned until Monday, April 6, 1908, at 11 o'clock a. m.)

HEARINGS UNDER HOUSE RESOLUTION 288.

SELECT COMMITTEE UNDER HOUSE RESOLUTION 288,
HOUSE OF REPRESENTATIVES,
Washington, D. C., Monday, April 6, 1908.

The committee met at 11.30 o'clock a. m.

All the members of the committee were present except Mr. Olmsted.

The CHAIRMAN. The committee will be in order.

The attention of the committee has been called to the fact that on several occasions matters appeared in the press first as evidence taken before the committee which had not been submitted even to the committee in any way. Also that other affidavits, letters, and telegrams have been referred to as evidence which had been handed to the committee. The committee therefore feels it necessary to state and have it distinctly understood that nothing is evidence before this committee which does not appear in the printed report, and nothing appears or will appear, in the printed report that is not testified to in the open session of the committee or read in open sessions of the committee or ordered to be made a part of the record in the open sessions of the committee. In other words, the committee will receive all communications tending to throw any light on this investigation to aid them in securing proper legal evidence, but affidavits, letters, telegrams, and other matters in writing simply sent to the committee for the purpose of giving it information are not evidence until, as I have stated, they become a part of the printed record in one of the three ways, and the committee wishes to state to those who are sincerely interested in making this investigation full and thorough and accurate and in preserving the integrity of the record that this rule shall be preserved in the future in reference to giving publicity to matters which are conveyed to the committee for information until they become evidence.

I regret to say that I have heard by telephone from Mr. Olmsted this morning that his little child has been seriously ill and that he was unable to leave last night. We hope that he will be here for the meeting at 2 o'clock to-day. At any rate, the question of the production of the books and papers by those who have been summoned by subpœnas duces tecum will not be taken up except at a full meeting of the committee. So that those who are interested in that question may feel that they are excused, at any rate until 2 o'clock to-day. Mr. Olmsted is to be here then, and it will be taken up, and if not, the matter will wait until he is able to be present.

Representative Loud, a Member of the House of Representatives, has notified the committee that he desires to make a statement.

STATEMENT OF HON. GEORGE A. LOUD.

Hon. GEORGE A. LOUD, being first duly sworn, upon being examined, testified as follows:

Mr. LOUD. Gentlemen of the committee, I wish, in view of some statement drawn out before you last Thursday, to make a statement or explanation and to answer any questions which you may desire to ask me. The particular part of the testimony to which I refer is that of my former secretary, Mr. Edinborough, in which he refers to a conversation taking place in a private room something over two years ago, in which I expressed some annoyance or kindred feeling before him. The cause of that feeling which I expressed Mr. Edinborough has misunderstood. Certainly it was not caused by any other feeling than intense regret over the employment of Mr. Gordon by the Electric Boat Company. It was at a time when I just learned of his employment. I can not recall whether it was by hearsay or from Mr. Gordon himself, but my impression has been that it was obtained by an impression in some other way, but upon learning that he was employed by that company I expressed before my secretary a feeling of, as he says, annoyance. I would term it simply extreme regret that he had taken employment. I did not complain bitterly because he had borne down upon me, or had in any way threatened me with political opposition or promise of political favor, for there had never been anything of that kind between us. And he has never urged upon me the subject of submarines. There was also along this same line another conversation, and I will say that I recall my feelings at that time very well, indeed, for I have always had and continue to have that same feeling ever since, and it is no secret.

At one time on the *Dolphin*, when the Naval Committee were making their trip to the navy-yards on the Atlantic coast at one time, some of the members—I do not remember how many, but a group of us—were discussing various matters, and this subject of submarines came up, and I stated before them that the Electric Boat Company had employed a man, or a lawyer, in my district, and then, I am sure with the same tone of feeling of regret, the question was asked at that time, on board, who the man was. I do not recall whether the name was mentioned or not, but I remember stating that he was a strong man in my district, a very able lawyer, who had been eight years district attorney, four years speaker of the house of representatives, a friend and supporter of mine. As to the letter which was referred to here last Thursday, it was my invariable custom to dictate to my secretary all letters of a personal nature, all letters of a political nature, but current matters of business pertaining to pensions and Department matters were handled mostly by my secretary. If any letter had been written at that time, I should have dictated it, and I can not recall having dictated any such letter; neither do my files disclose any such letter, although my secretary has made search through the files for anything of that kind. There was allusion made to my interview had with one of the Detroit papers at the very outset of this investigation, in which I was asked if I knew Mr. Gordon's business here. Although I had an understanding or impression on that subject, I did not have any exact knowledge which would *warrant me* in making a statement to the press, and I simply said

that "I do not know," although I did have a general understanding and impression that he was employed. And upon that statement to the newspapers it was commented upon here. I do not know that I have anything further in general statement, only to say that in my work before the committee, in the Naval Committee, I have not been influenced by anyone outside of that committee, but have always, upon my own judgment, voted for what I deemed best for the naval service, in my duty as a member of that committee.

The CHAIRMAN. If you will kindly take a seat, Mr. Stevens would like to ask a few questions.

By Mr. STEVENS:

Q. When were you elected to the House the first time?—A. Four years ago. I am now in my third term.

Q. What was your business previous to that?—A. A lumberman.

Q. Had you had any experience with maritime or naval matters?—A. In some measure; yes.

Q. What was your experience?—A. The company of which I am a member have owned boats upon the Lakes for thirty or forty years past, and in that way I have had something to do with business of that class.

Q. Have you had any previous experience in naval matters?—A. In a limited way. I made a voyage around the world on a Government ship; at least, I started on such a journey, and on the revenue cutter *McCulloch*, *Hugh McCulloch*, which was later ordered into Admiral Dewey's fleet and was present at the battle of Manila.

Q. So that you had some interest in those matters previous to your election to Congress?—A. I had, and always felt an extreme interest in naval matters.

Q. Was Mr. Gordon retained, do you know, or did you know, or have you any information now to know, whether Mr. Gordon was retained by the Electric Boat Company before your appointment to the Naval Committee?—A. I did not so understand it.

Q. He was retained after your appointment?—A. I believe so.

Q. Where did this episode occur that you refer to with Mr. Edinborough relative to the appointment of Mr. Gordon?—A. In his private room at the Dewey Hotel.

Q. Who was present at that time?—A. Only Mr. Edinborough and myself.

Q. What occurred at that interview? Just tell us as you recall what occurred at that interview.—A. The time is now so far distant, over two years, that it is impossible to give any more than a mere impression of that interview, but in working off the current business I made some statement indicating my feeling of annoyance or intense regret that I had found that Mr. Gordon had been employed by that company.

Q. Did you express at that time any feeling of annoyance at the way Mr. Gordon was bearing down on you for submarine legislation?—A. No; I did not, for he had never done anything of the kind.

Q. Did you state, as you recall, to Mr. Edinborough that you were annoyed and disgusted because Mr. Gordon was bearing down or imposing on you?—A. No; I did not.

Q. Mr. Edinborough stated to the best of his recollection that you used the word "impose" with reference to Mr. Gordon's conduct

toward you. What do you remember about that?—A. There was no occasion for any such word.

Q. What had Mr. Gordon done or what had you learned concerning Mr. Gordon's actions, which led you to feel annoyed?—A. Simply the fact of having taken employment with that company, and nothing more.

Q. Had he told you that?—A. I can not recall any more whether the information came from him or some other source. My impression was from some other source; it was merely an impression.

Q. Had Mr. Gordon been to see you, to inform you of his employment, and to intercede in any way with you concerning such employment?—A. No, sir.

Q. He had not done so up to this time?—A. No; he had not.

Q. So that whatever annoyance you felt up to this time was not based on Mr. Gordon's actions toward you?—A. No, sir.

Q. To whom did you relate the circumstances of this episode, as you now recall?—A. At what time?

Q. At any time after it occurred.—A. As already mentioned, in Mr. Edinborough's room, then again on the *Dolphin*.

Q. When was that?—A. Last summer.

Q. About what time in the summer?—A. I can not at this time fix the date. Nothing comes back to me by which I can fix the date at the moment.

Q. July or August?—A. It was on the trip of the *Dolphin*, when the Naval Committee were inspecting the navy-yards on the Atlantic coast north of Chesapeake Bay.

Q. Now, will you state the circumstances under which this conversation occurred on the *Dolphin?*—A. Only that some of the members of the committee were discussing naval subjects, and among other things the subject of submarines, and the boat company came up. My impression is that it was one evening on deck.

Q. Who was present at the time, as you recall?—A. Mr. Lilley was one, and the others I can not recall.

Q. Others were members of the committee?—A. Yes.

Q. You were all sitting around together?—A. Yes.

Q. Well, now, what did you say at that time concerning this affair?—A. That the boat company had employed a man or lawyer in my district.

Q. Did you inform the committee at that time that Mr. Gordon was imposing on you or seeking to intercede for that company with you?—A. No; I did not.

Q. Did you inform them at that time that Mr. Gordon was threatening to become a candidate against you, and that you were being pressed on account of that to vote for submarines for the Electric Boat Company?—A. No; I did not.

Q. What other conversation occurred at that time relating to this matter?—A. The statement I made at the time that Mr. Gordon's name had been mentioned, but nothing more.

Q. Did you ever have any other conversation at any other time with persons concerning this, as you now recall?—A. No, I do not recall any other conversations. Mr. Vreeland informs me that I did mention something before him once, but I can not recall the time.

Q. You might have mentioned it to somebody else, then?—A. Perhaps so. It was no secret.

Q. Did Mr. Gordon, or any of Mr. Gordon's friends put him forward as a candidate against you in your district?—A. Never.

Q. Has anyone intimated to you that Mr. Gordon might be a candidate for Congress in your district against you?—A. I never recalled any such intimation by anybody.

Q. Has it ever been intimated to you by anybody that Mr. Gordon might be a candidate unless you helped the submarine legislation, legislation favorable to the Electric Boat Company?—A. No, sir.

Q. What, if any, letters or telegrams have you sent to Mr. Gordon after the legislation had been framed informing him concerning such legislation?—A. I can recall no such letters or telegrams being sent.

Q. And that is what you stated that you searched your files to ascertain?—A. Yes, sir.

Q. And if there had been any such letters or telegrams would you have copies of letters or memoranda concerning them in your files?—A. I believe so.

Q. Mr. Edinborough stated that he presumed he wrote such a letter. Does that accord with your recollection?—A. It does not; I could not trust my memory on any subject like that for two years.

Q. If any such letter or telegram like that had been written what is your system so that you would know now whether it had been sent or not?—A. There would have been an impression, a copy made of it, and filed with other correspondence.

Q. And you have had search made for such copy?—A. I have.

Q. And found nothing?—A. No, sir; nothing.

Q. And to the best of your recollection no such thing occurred? Did Mr. Gordon confer with you with reference to the legislation pending in the bill that is now before the Naval Committee?—A. No, sir.

Q. Has he ever been to you to intercede with you or to influence you concerning that legislation or any other legislation concerning submarines?—A. He never has.

The CHAIRMAN. Does any other member of the committee desire to ask Mr. Loud any questions?

Does any Member of the House of Representatives who is present desire to ask Mr. Loud any questions?

Mr. LOUD. May I suggest, the conditions in my district would be a proper subject of inquiry as to the result of the election, at the three times which I have been before my people. I make the statement that in the first election I carried my district by over 5,000; the next time over 8,000, where there was active opposition, and the last time, 18,600, with no opposition, either for nomination or election. I simply offer that as an indication that there was no necessity for political interference nor would it be of any avail.

Q. Do you have the convention system or primary election system?—A. First two elections under convention system, last election under primary.

Q. What do you have now?—A. Primary system.

The CHAIRMAN. Is there anyone else present, interested in this investigation, either in person or by counsel, who desires to ask this witness any questions?

TESTIMONY OF A. ANGUS ERLY—Recalled.

The CHAIRMAN. You have already been sworn, Mr. Erly. Mr. Howard would like to ask you one or two questions.

By Mr. HOWARD:

Q. Mr. Erly, referring to your testimony previously given, and to that part in particular that relates to your meeting Mr. Broussard at Shoemaker's, I wish to ask first if you were in at Shoemaker's more than once that afternoon or evening?—A. Yes, sir.

Q. You were in there?—A. I think once before.

Q. Once before you went in with Mr. Broussard?—A. Yes, sir.

Q. Were you in there after you were there with Mr. Broussard?—A. I am positive I was not.

Q. The time you went in with Mr. Broussard, you have related in your testimony how that occurred?—A. Yes, sir.

Q. Will you state, please, as accurately as you can, how long you were in Shoemaker's with Mr. Broussard?—A. I think I was with Mr. Broussard not more than five minutes all together, from the time I spoke with him, went in, and came out, five minutes would cover the entire time.

Q. Applying that to your testimony it was not more than five minutes until you came to the sidewalk?—A. Yes, sir.

Q. At the Post Building?—A. No, at the Munsey Building.

Q. Until you separated?—A. Yes, sir.

Q. Where did you separate?—A. At the Munsey Building.

Q. Out on the street?—A. Yes, sir.

Q. Now, then, to the best of your recollection, how long were you and Mr. Broussard in the barroom?—A. About three minutes.

Q. Do you remember whether any conversation that you had with persons you mentioned was within Mr. Broussard's presence or hearing, or whether he participated in it?—A. Well, my testimony, I read it over, when they asked me there what I said about Mr. Lilley; Mr. Lilley was anxious to know what I said about him; I did not know that it referred only to Shoemaker's; I had simply misunderstood Mr. Olmsted.

Q. Well, now, how?—A. That I was saying there things said about him at different times. Mr. Olmsted asked me, "What else have you said about Mr. Lilley?" I did not know that it referred only to the time there at Shoemaker's, but I did not confine myself to that.

Q. Well, now, at Shoemaker's on the occasion when Mr. Broussard was with you, did you refer to Mr. Lilley?—A. My recollection of it is this, that Mr. Broussard bought me a drink; we had a drink, and I turned to him, and I am positive he did not hear me because just as I turned to him he was talking to two other men, and I said to him, "They ought to investigate Mr. Lilley and the Lake Company," or something to that effect.

Q. You said that?—A. Yes, sir; when I turned to him I do not think he heard me because he was in conversation with two other people that joined him.

Q. Who were they?—A. Periard and a man by the name of Fogg.

Q. Were they in any way connected with this investigation?—A. No, sir.

Q. Was more than one drink taken by Mr. Broussard?—A. That is all. Mr. Periard asked Mr. Broussard to have a drink, and he said no, he could not; he only wanted one drink, and he was going. He went out ahead of me. I followed out just as he met Robertson on the Times steps. I said good-by, and went my way.

Q. Practically, then, you were not in at Shoemaker's any longer than you could go in and order and take a drink and get it swallowed, mouth wiped, and pass out?—A. That was it.

Q. Is that all there was of it?—A. That is all there was to it.

Q. Now, you are represented as saying afterwards in a newspaper office that you had been down at Shoemaker's, and a great many things had transpired. I want to ask whether or not that occurred or any of those things occurred when you were in Shoemaker's with Broussard?—A. No; I know that whole thing now; it comes back to me. Saturday afternoon I borrowed $40; I had to pay some bills, and I can explain that. I borrowed $40; I had to pay some bills, and I went into the New York American office, and I had these $40, and I told Norcross I would buy him a drink, and going out I showed him a ten-dollar bill on the outside. This was before I met Mr. Broussard, probably about 3 o'clock in the afternoon, and I said, just in a joking way; I recall that now. I may have said then, "This beats working for the newspaper business," and I paid that $40 out that night, or about thirty-five of it.

Q. That was about 3 o'clock in the afternoon?—A. Yes, sir.

The CHAIRMAN. Does any other member of the committee desire to ask Mr. Erly any questions?

Is there any other person present who desires to ask Mr. Erly any questions?

By Mr. HOWARD:

Q. Nothing that you referred to in this conversation about the $40 grew out of the incident of your going into Shoemaker's with Mr. Broussard?—A. No; that happened before. I saw Mr. Broussard about 5.30; had no idea of seeing him when I did see him.

Mr. HOWARD. I have no further questions.

(Questions suggested by Mr. Lilley):

By Mr. HOWARD:

Q. Have you talked with any Member of the House since you testified before on the subject-matter of this testimony; have you talked with any Member of the House?—A. I do not quite understand you. On the Broussard matter, do you mean?

Q. On the Broussard matter.—A. I might have; I could not recall any definite person. I most undoubtedly have said something about it, but I could not recall who, but I have talked a lot to people.

Q. Did anybody ever suggest that you should come here and be recalled and testify again on the matters I have just questioned you about?—A. Not a soul; no, sir.

Q. Has any Member of Congress suggested it to you?—A. No, sir.

Q. Has any member of this committee spoken to you on the subject?—A. No, sir; the only member of this committee that has spoken to me on the subject was on the day after my testimony;

you told me to read it over and see if it was correct; the day after I testified you told me to read my testimony over and see if it was correct.

Q. Was there anyone else?—A. No, sir; no member of this committee has spoken to me about it.

Q. Has any member of the committee asked you to come here and testify to-day?—A. No, sir; I was ordered over here to-day.

Q. State how you came to be here this morning.—A. The Sergeant-at-Arms notified me that I was wanted before the committee.

Q. When?—A. Just before I came over the messenger came to me.

Q. This morning?—A. Yes, sir; just before I came here.

Q. Did the Sergeant-at-Arms say who sent for you?—A. No; he said, "You are wanted over in the room," giving the number of the room.

Q. This room?—A. Yes, sir; before the committee. It was one of the men in the office of the Sergeant-at-Arms, the man who delivers subpœnas.

Q. Have you ever expressed to any Member of Congress or any member of this committee or any other person that you desired to reappear and testify in the matter I have questioned you about, or on any other matter?—A. No, sir.

The CHAIRMAN. I asked the Seargeant-at-Arms to request Mr. Wooley to be present to-day.

TESTIMONY OF R. W. WOOLEY.

R. W. WOOLEY, being recalled, on being examined, testified as follows:

The CHAIRMAN. I will ask Mr. Howard to propound the questions.

By Mr. HOWARD:

Q. I have in my hand a statement that you seem to have signed and handed to the chairman of this committee.—A. Yes, sir.

Q. Purporting to cover the circumstances under which you related the incident of Mr. Broussard and Mr. Erly?—A. Yes, sir.

Q. The committee prefer that you should testify under oath.—A. Yes, sir.

Q. Respecting that incident.—A. Yes, sir.

Q. Will you please, in your own way, state to the committee everything connected with your knowledge of Erly's meeting with Broussard at Shoomaker's, what you said about it to Mr. Lilley, what you said about it to Mr. Broussard, and what you said about it to any other person.—A. Yes, sir. I wish to state that the reason I made the statement is (and I would like that to go into the record as a straightaway story) because I naturally, in a case of this kind—there are so many incidents that when I sit down and think over and straighten them out—I am perfectely willing to make a free statement.

Q. Do you desire to have this for the purpose of refreshing your recollection?—A. I don't think it is necessary. I just want to refresh myself as to the date, which I have forgotten.

The way the thing came up was this: I went into Shoomaker's on the evening of March 7, with Mr. E. A. Hamilton, a newspaper correspondent, at his invitation, to take a drink, and while we were

standing there at the bar, I had finished taking a drink, I saw Mr. Norcross, and he came over, and I think I spoke to one or two other persons possibly before Mr. Norcross, but that I don't remember now, it is so long ago, and Mr. Norcross said: "Have you seen Erly?" I said "No, I have not——

Q. What time was that?—A. This was in the evening, and my recollection is it was about 11 o'clock. And he said: "He was up in the office a while ago; he had a roll of bills; he said he had $500 in it—Erly said he had $500 in it—and he said 'Come on in, the water's fine; why should a man be a newspaper man and have to be poor when he can go out and make the money.'" He said Erly was apparently in very good humor. And then we laughed, because both of us had learned from somebody that Erly had just been in Shoomaker's with Mr. Broussard.

Q. How had you learned that?—A. As I said here, my memory is at that time—I though afterwards in telling the story that Mr. Norcross had said so, but Mr. Norcross tells me did not say so, so therefore, as I recall it now—somebody must have said so, and that little incident I am not clear on, and I give Mr. Norcross the benefit of the doubt, because I heard afterwards he had denied saying so; and I went to him afterwards again. I said, "Norcross, you did say that to me." He said, "No, I did not." So I give him the benefit of the doubt. And we joked and laughed about it, and said what a joke it was on Mr. Broussard; how innocent he was, and so on—laughed about it.

Q. You said that to whom?—A. To Mr. Norcross, and we were talking together about it, just laughing, and saying if Erly had gone into the employ of the Electric Boat Company Mr. Broussard certainly did not know it, and it certainly was a joke on him, taking a drink with a man who had Electric Boat Company money on him. We were simply joking; there was nothing serious about it. So, after that—a day or two after that—I was with Mr. Lilley, and I do not know who else was present, and I told this story just as a joke.

Q. Are you certain that Mr. Lilley was present when you said it?—A. I am satisfied that is where I got it, because my impression is that I told Mr. Lilley in the presence of one or two others. Who those others are I have no recollection.

Q. We would like to have you, as exactly as you can, repeat what you told Mr. Lilley.—A. I said it was a great joke on Mr. Broussard taking a drink with a man who said that he had Electric Boat Company money.

Q. You said to Mr. Lilley that that was a joke. Did you use the word "joke?"—A. Why, I told it as a joke; I didn't use the word "joke." I simply said it was funny—I told it as a joke. Mr. Lilley then said to me, "Who told you this?" "Why," I said, "Mr. Norcross," and the next day the next thing I heard was that Mr. Lilley had gone to see Mr. Norcross and had talked with him about it.

Q. Now, do I understand you correctly that you told Mr. Lilley that it was funny that Mr. Broussard had taken a drink with Erly; is that all you told him?—A. If I used any other words, I don't remember; I might have said something else, but nothing that had any bearing on it.

Q. Did you explain to him what the [illegible] was only stated that he took a drink [illegible]

else? Did you put in any additional facts? What else did you say that would make it appear funny? That thing in itself did not suggest itself to you as funny?—A. Yes; the humorous situation was all—that Mr. Erly was entertaining Mr. Broussard with a drink—I just stated after that that Mr. Erly had been going around talking that night, according to what Mr. Norcross said——

Q. Did you relate all that to Mr. Lilley?—A. I did. I told him exactly what Mr. Erly had said—"Come on in, the water is fine, etc."

Q. So you put all that in?—A. I told him that; I certainly did.

Q. You said you told it as a joke. Did Mr. Lilley ask you who you got it from, asked you several questions about it?—A. The only question he asked me about it was who I got it from. I said, "Norcross."

Q. Did Mr. Lilley make a memorandum or some statement of the conversation in your presence?—A. My recollection is that he wrote the name on an envelope.

Q. For a joke?—A. Whether Mr. Lilley was going to regard it as a joke I didn't know, but afterwards I found out he did not regard it as a joke, and had gone to Mr. Norcross and had asked him upon this question, and Mr. Lilley did say to me—and I understood of course that Mr. Lilley—that he was going to ask Mr. Norcross—that he was going to see him about what Mr. Erly had said to us about this matter, not as a reflection on Mr. Broussard. It never occurred to me that he suspected Mr. Broussard, but he was going to ask Mr. Norcross about what Mr. Erly had said to him. I want it understood plainly that Mr. Broussard's name in this matter has been entirely brought in in a wrong way. And when he said he was going to ask Mr. Norcross about it, he was going to ask him about Mr. Erly and not about Mr. Broussard—not as to any reflection upon Mr. Broussard. Then I think it was probably Tuesday or Monday afterwards I met Mr. Erly down in the Willard Hotel, if I remember right, and afterwards met him up here in the corridor—I didn't state in the Willard Hotel, because I didn't recollect at the time I had seen him there, but I met him afterwards in the corridor of the House, and Mr. Erly told me what had occurred, and he said, "Whatever I said, I was under the influence of liquor, and I think Mr. Norcross was feeling pretty well that night, and I had only borrowed $40 to pay some household bills, and if I said what I did I said it merely as a matter of a joke, and jokes always get me into trouble. Therefore I wish you would please go and straighten this matter out."

Q. Did Mr. Erly say to you that Mr. Broussard was present with him?—A. Yes. I am going to tell what he said about Mr. Broussard. He said, "As a matter of fact, I went up by the Munsey Building, and Mr. Broussard was standing out in front of the Munsey Building, and had been to see Mr. Robertson, and Mr. Broussard said, 'Come, have a drink with me,'" and they went up to Shoomaker's, and he bought a drink there, with Count Perreard and somebody else, and then he went on out. He said, "We were not in there more than three minutes or about three minutes, and not over five minutes." He said that was all. He said, "As a matter of fact, he bought the drink and I did not."

Q. What did you say to Mr. Lilley?—A. Just a second. Then he told me, he said, "I wish you would—this is a very serious matter, and it puts me in a bad light." I then went to Mr. Lilley the next morning and told him—this is the meaning: I don't know whether I used the words or not, but I said, "Mr. Lilley, this is a wrong impression, and this is the way the thing is," repeating exactly what Mr. Erly had told me. I saw him in the dining room at the Willard, or the breakfast room. We then said something about something else. But I brought this matter up immediately, and he said, "Um-umph; well," he says, "others have told me," and he put his face up, "others have told me." I said——

Q. What is that you said?—A. He said, "I have heard others say the same thing." I said, "Mr. Lilley, I think you are absolutely wrong there, and I am sure of it," and I said, "I have talked to Mr. Erly about it, and there is absolutely nothing in this thing, especially as to Mr. Broussard, and neither is there as to Mr. Erly. Mr. Erly has told me the whole thing, and said he did a good deal of talking, and that is where the "——

Q. How long after you told Mr. Lilley about that first until you made this explanation?—A. I went right off the next day—now, the second morning after, it could not have been the first, probably the second morning afterwards.

Q. The second morning after you told this English joke to Mr. Lilley you made this retraction?—A. I don't know whether it was an English joke.

Q. The humor of it was, I think, rather English.—A. It was the second morning afterwards I saw Mr. Lilley when he was taking his breakfast at the Willard Hotel, and I told him.

Q. Then Mr. Lilley had this correction made by you before this examination occurred?—A. Not only that, but he had another correction.

Q. State that.—A. I went up to the House that day. I was called down to the House reception room by Mr. Broussard, and he said, "Well, what is this I hear you have been telling Mr. Lilley," and I told him. I told him about what Mr. Lilley had said to me, and about me going to see Mr. Lilley, and so forth, and I said, "I will go again." I told him I felt very badly over this thing, but I says, "This has taken a turn which it should not have taken, and I feel that I have in a way been the cause of an injustice, and I want to do everything that I can to straighten it out," and I said, "I will go again." Mr. Broussard said, "Don't go on my account. If you have been once, that is all right." But, of course, I could not stand for a thing of that kind, and I got to thinking the thing over, and I went again.

Q. To whom?—A. Mr. Lilley. And my recollection is that at this time I went to Mr. Lilley in his office, and I said, "Mr. Lilley, I want to tell you again about this thing. I talked to Mr. Broussard." And I said, "I am coming on my own volition, and I tell you there is nothing in it." And Mr. Lilley said—well, my recollection is—he said, "I am glad to hear it." He seemed a little more pleased then, and in better humor than he was the first time. I said, "I simply do this because I feel that I have been unwittingly the cause of putting Mr. Broussard in a very false light." My recollection is that he said, "I am glad to hear it," or words to that effect, and we passed on to

something else. Then when the question came up here that day he had Mr. Broussard asking questions of Mr. Erly, and I was absolutely flabbergasted—I never was so surprised in my life, because I had gone to him at once and tried to clear the thing up.

Q. Had you any knowledge of your own of any visit of Mr. Broussard and Mr. Erly to Shoemaker's, as has been testified to?—A. No, sir.

Q. Have you any knowledge of your own that they went in there together?—A. No, sir.

Q. Have you any knowledge of your own of any business between Mr. Broussard and Mr. Erly?—A. None whatever.

Q. Have you any knowledge, then, of what you said to Mr. Lilley, except from what somebody else told you?—A. None whatever. I told you the whole thing, as I see it now, was a talk that never should have been repeated, but it never occurred to me at the time in that way, because it never occurred to me that it would take such a serious turn. I have said to Mr. Broussard and to Mr. Erly and to Mr. Lilley that I was telling the thing as a joke, and I am very sorry for it. It has been a little lesson to me——

The CHAIRMAN. Is there any other member of the committee who has any questions to ask? Is there any Member of the House who desires to have any questions asked Mr. Wolley?

Mr. Lilley wishes these questions asked you: "Were you joking when you asked Mr. Lilley why he did not challenge Broussard's right to sit on the committee?"—A. I did not ask him any such thing.

Q. Did you ask him anything like that?—A. I did not.

Q. Did you ask him anything that is of that substance?—A. I did not.

Q. "Who was with Mr. Lilley in the dining room at the New Willard," I presume on this occasion?—A. Nobody but me.

Q. "Who was in Mr. Lilley's office with him?" I presume on the occasion you referred to.—A. I don't remember. There may have been his secretary, or the young lady stenographer. Whether she was or not, I don't know. Whether or not I made that statement to him in his office is not clear in my mind.

The CHAIRMAN. Is there anyone else present, either in person or by counsel, who desires to ask the witness any questions?

The WITNESS. I wish to say I did not say anything of challenging. Now that Mr. Lilley brings that question up, I think I heard him say something about challenging.

Q. What did you think you heard him say?—A. I don't recollect. That word "challenge" just recalls to me that something like that was said. What it was I don't remember, but I did not say it to him.

Q. Did you not suggest it?—A. No, sir. I simply want to state that I remember now that the word "challenge" was uttered in some way, but in what way I do not remember.

Q. Do you remember that you did not say it? Mr. Lilley's question is, "Were you joking when you asked Mr. Lilley why he did not challenge Broussard's right to sit on the committee?"—A. I did not ask him anything of the kind—why he did not challenge his right to sit on the committee.

The CHAIRMAN. That is all.
Representative LILLEY. I would like to take the stand.
The CHAIRMAN. Very well.

TESTIMONY OF HON. GEORGE L. LILLEY—Recalled.

Mr. LILLEY. I want to say in the beginning that when I asked Mr. Erly the question as to who he had met in Shoomaker's saloon that it was not for the purpose of drawing out Mr. Broussard's name. I had been informed that he had been in there and talking in a disrespectful—and at random about me, and I wanted to know who he had talked to and what he had said.

Now, in regard to Mr. Wooley's testimony, I want to say that nothing he said to me was said in a joke. But I want to say that I remember distinctly he asked why I did not challenge the right of Mr. Broussard to sit on this committee.

In regard to coming around two days later and seeing me in the New Willard dining room, I have no such recollection. I do not recollect that I have been in the New Willard dining room this year, except with Mrs. Lilley. I am positive that I have not been in the New Willard dining room alone at any meal this year.

In regard to coming to me and telling me this new version, he did, after Erly had testified.

By Mr. HOWARD:

Q. After Erly had testified here?—A. Yes, sir.

Q. After the question had been propounded to him through Mr. Broussard?—A. Yes, sir; and I did tell him that I was very glad to know, or words to that effect.

Q. That was after the examination?—A. Yes, sir.

The CHAIRMAN. I hope this will close the subject up.

Mr. WOOLEY. I beg to be heard again, because this man has absolutely sworn to what is untrue. If Mr. Lilley says I did not go—I want to say that Mr. Lilley has sworn absolutely—furthermore, I want to say he has had his secretary up in my office trying to get a statement from me that he gave me a copy of—and he wants to take it away, and the purpose of it was in order to get away with evidence that he has got in this suit which Mr. Lord has got in this city against him. And this man came to me, and I said, "No, you tell Mr. Lilley I will hold on to this statement, and if the time comes and I go on the stand I will produce this statement as he gave it, but he is not going to come up here and destroy things and afterwards say he did not do so."

Mr. Chairman, I never was so surprised and flabbergasted in my life as when I heard this man make that statement. I went to him in the Willard Hotel, and I went right up and saw Mr. Lilley, and told him—Mr. Lilley was sitting next to the window in the long room there that faces Fourteenth street, and he was sitting at the table—I am not very good at directions in Washington, but I would say it is right next to the Pennsylvania avenue end of it, right next to the window, and he sat down there, and I told him that, and I told him everything. I went in there and told him. Then I went up and told Erly about it, and that Mr. Broussard called me out, and that I did go to Mr. Lilley's office, and Mr. Lilley is this kind

of a man. If he tells you anything when nobody else is present he will swear he didn't say so at the time.

Mr. STEVENS. That is not proper. You must state what actually occurred, but you must not give conclusions.

Mr. WOOLEY. I beg your pardon.

Mr. LILLEY. That necessitates my being on the stand again. In regard to my secretary going to his office, I asked my secretary to get a copy of the New York World of February 23, because Mr. J. J. Darlington, my attorney in this suit that Mr. Lord brought against me, desired to have a copy. That is what my secretary went to his office for—was to get a copy of the New York World of February 23, at the request of Mr. J. J. Darlington, and I have a copy of his letter in my office asking me to do that. I did not instruct, I have not instructed my secretary to secure anything but that copy.

So far as the rest of Mr. Wooley's testimony is concerned, I say I have no recollection of his having come into the dining room of the New Willard Hotel. I have no recollection of having eaten a meal in the New Willard dining room alone this session of Congress. I do know absolutely that he asked me why I did not challenge Broussard's right to sit on the committee.

Mr. STEVENS. What did you say at the time he made the inquiry of you?

Mr. LILLEY. I do not remember that I said anything in particular. It was at the New Willard Hotel; there were two or three people near by. I do not know that any of them overheard this conversation.

Mr. STEVENS. Who were they?

Mr. LILLEY. I do not just recollect that. It was near the cigar case.

Mr. STEVENS. Acquaintances of yours, were they?

Mr. LILLEY. I do not recollect who they were. I should say that I was talking with some one when he came up.

The CHAIRMAN. Will you give the stenographer the name of your secretary?

Mr. LILLEY. Benjamin Webster.

The CHAIRMAN. Have you any other secretary or stenographer except Benjamin Webster?

Mr. LILLEY. I have a young lady stenographer.

The CHAIRMAN. What is her name?

Mr. LILLEY. I do not know. The secretary hires her. I think her name is Kelly.

The CHAIRMAN. Does anything else occur to you with reference to this Erly-Wooley incident that would tend to make it perfectly clear upon the record?

Mr. LILLEY. I think of nothing at this time.

Mr. WOOLEY. I want to make one more statement.

The CHAIRMAN. If you have any further statement to make, will you take the stand, and then if you will endeavor to make the story complete now——

Mr. WOOLEY. Now, I wish to say one thing more. I beg your pardon; I will not make any more heated statements, but what I want to make plain is this——

The CHAIRMAN. Just what you know of your own knowledge of *what* occurred, and what you heard said.

Mr. WOOLEY. I do not think there is any use going over that again, because it is a question of Mr. Lilley's word aganst mine, and I simply stand by what I have said, and I want to state this, this matter of his secretary, to show you that the secretary did not want a paper. He said, "Where is the copy—have you a copy of this statement?" I said, "Mr. Lilley dictated that statement." He says, "To whom?" I said, "Whether he dictated it to me or not, I don't know." He said, "Have you the original copy of that statement?" I said, "I have." We keep all of our copy here for one year. He said, "Can I get a copy?" I said, "No, you can not." He said, "Can I see that copy?" I said, "Yes, you can see it." He said, "When?" I said, "The office boy takes care of all the copy, and he is not here to-night, but I will try to get him to get it up for you to-morrow." He came in the following night, and I had forgotten to tell the boy about it, so he said, "Well, when can I get it? Is it anywhere where I can get hold of it?" I said, "No, he has them all bound up in bundles, and put away, and I don't know where it is." Then he said, "Well, I want to see it." I said, "I will not let you have it. I will not let you have it because," I said, "I am going to keep it, and when the time comes you can tell Mr. Lilley I will be there with this original copy to show on the stand, but I will not let it go out of my hands." That is all. I want to say that he was not after a copy of the paper, because he didn't ask me for it.

Mr. HOWARD. What paper was that?

Mr. WOOLEY. The way Mr. Lilley put it, it was a copy of the New York World of February 23.

Mr. HOWARD. What were the particular contents of the statement?

Mr. WOOLEY. It was a statement made by Mr. Lilley to me, either dictated to me, or it may have been handed to me, in reference to a certain interview given by him in reference to Mr. Griggs and Mr. Sherman, two Members in the House——

Mr. HOWARD. Was that the original interview that led up to this investigation?

Mr. WOOLEY. No, sir. That interview with Mr. Lord is probably the interview that led up to this, but this other statement from Mr. Lilley denying that he had made any such statement, and this man came in and told me—you see Mr. Lord has a libel suit on against him, and he wants to get this copy—"Did Mr. Lilley make this statement to you?" I said, "He certainly did." I said that I had learned by that time—that was only two or three days after I had learned—to get what Mr. Lilley said in writing, either dictated to me, or handed to me as dictated by him to somebody else, and I said, "I have it here, somewhere—," and at the time I thought it was another statement which Mr. Lilley had come over to my office and looked over and then taken back to have Mr. Congressman Bannon, of Ohio, go over. At that time Mr. Lilley had a statement and took it over and had Mr. Bannon see it, and he brought it back with interlineations. I don't know whether he made them or Mr. Bannon. I have another statement, which is probably——

Mr. HOWARD. That is what you published in the World?

Mr. WOOLEY. Yes; and I want to state that this Mr. Webster has been after me to get the original copy, and he has never said "news-

paper" to me. He asked me for that, and I told him the boy had it filed away in bundles, and I said I would let him see it, but I would not let it go out of my hands, because if I was going to be examined as a witness, which I presumed I would, I wanted to go there and present this to show that I was not saying anything that I presume Mr. Lilley might say he did not say it.

Mr. HOWARD. Will you bring that statement to which you are referring to this committee?

Mr. WOOLEY. I will.

Mr. STEVENS. How did you get these statements?

Mr. WOOLEY. There were several of them given out.

Mr. STEVENS. How did you get them?

Mr. WOOLEY. I got them from Mr. Lilley, every time.

Mr. STEVENS. From him personally?

Mr. WOOLEY. I either took them down in longhand at his dictation, or he took them and gave them to me. I could not tell you right now, just this particular statement, whether it is one Mr. Lilley dictated to me and I typewrote it at the office, or whether it is one he handed me that I wrote out for him and that he had corrected—I don't remember that—but I have the statement.

Mr. STEVENS. What is that you have on file, a typewritten statement or the original memorandum that you made from his dictation?

Mr. WOOLEY. That I do not quite know, whether it is one that he wrote out, or whether it is one that I took down and typewrote, but I will bring it here before the committee.

Mr. HOWARD. How many statements have you got from Mr. Lilley since this matter came up?

Mr. WOOLEY. I do not know. Maybe two or three, there may have been four or five. At the start I used to see Mr. Lilley every day, and Mr. Lilley would say, "I have nothing to say for publication," and we would talk, and that was the end of it.

Mr. HOWARD. You would not make any particular mention of that?

Mr. WOOLEY. No, no; when he said he had nothing to say, I would not quote him at all.

Mr. HOWARD. How many statements have you got of his?

Mr. WOOLEY. I will look them up and find out, and everything that I have I will bring to you. I should wish to have those returned to me, because they are part of our office records.

Mr. HOWARD. You are speaking now of originals.

Mr. WOOLEY. As I have said, I do not know whether I have this original typewritten statement or his own statement. We have typewritten them and put them on the wire, and possibly thrown the other one away, but I will swear that every one of these statements was given, and Mr. Lilley I do not think will deny the contents of any one of them.

Mr. HOWARD. Is it or is it not true that all the interviews you have had with Mr. Lilley that are authentic have been O. K.'d by him or the typewritten matter furnished to you by him?

Mr. WOOLEY. There was no O. K. For instance, the one he got Mr. Bannon to correct hasn't any O. K. on it.

Mr. HOWARD. Has it got his corrections on it?

Mr. WOOLEY. Mr. Bannon's corrections?

Mr. HOWARD. Mr. Lilley's?

Mr. WOOLEY. It may have.

Mr. HOWARD. Mr. Lilley's and Mr. Bannon's corrections, both.

Mr. WOOLEY. Those corrections were made, I think, yes.

Mr. HOWARD. And the paper you have is the paper?

Mr. WOOLEY. Yes, sir.

Mr. HOWARD. Will you produce those?

Mr. WOOLEY. I will produce everything I have.

Mr. HOWARD. Are you able to refresh your recollection any further about this statement which you ascribe to Mr. Lilley about Mr. Broussard's right to a seat on this committee?

Mr. WOOLEY. I am not.

Mr. HOWARD. Do you say that Mr. Lilley used it?

Mr. WOOLEY. I remember the word "challenge;" he uttered the word "challenge," but I do not remember anything further about it. I did not say to him, "Why don't you challenge Mr. Broussard's right to sit on the committee?"

Mr. HOWARD. For the purpose of identifying this matter that you think you have, did you take an interview with Mr. Lilley in which the statement was made in substance that most of the members of the Naval Affairs Committee were traveling salesmen of the Electric Boat Company?

Mr. WOOLEY. That statement was made in just this way: The day this resolution came out we held Mr. Lilley up at that time in the lobby of the House just after adjournment, and he said he had a statement—he would give out a statement—and he got Snell Smith, of the Washington Post, to dictate to him. He dictated the statement to Mr. Smith and Mr. Smith made typewritten copies and gave to myself and others, whoever wanted it. Then when he got through Mr. Lilley was going out, and I said, "Mr. Lilley, I am from the World," and I said "did you make such and such statements," and Mr. Lilley said, "Well, I did say that."

Mr. HOWARD. Say what?

Mr. WOOLEY. I will not undertake to repeat the exact words now; I do not remember them.

Mr. HOWARD. State the substance.

Mr. WOOLEY. He said, "I did say that they were traveling salesmen, or that they were ticketed." That statement Mr. Lilley made. I caught him by the coat and asked him as he was going away, and I said, "I am for the World," and he says, "I did say that," and I certainly took it; I got his statement because I asked him as a newspaper man to get an interview, and he knew I was not asking him as a private, secret matter.

Mr. HOWARD. Was that particular interview submitted to Mr. Lilley and corrected by him?

Mr. WOOLEY. No, sir; it was not. At the time I remembered the words, and I took it right down then. I learned right there and then that hereafter you must always get him to sign up.

Mr. HOWARD. You have not adopted the graphophone system yet?

Mr. WOOLEY. No; but I expect to.

(Thereupon the committee took a recess until 2 o'clock p. m.)

AFTER RECESS.

The committee met pursuant to the taking of recess at 2 o'clock p. m.

All the members of the committee were present.

The CHAIRMAN. Mr. Vreeland, of the House of Representatives, wishes to make a statement.

TESTIMONY OF HON. EDWARD B. VREELAND.

Hon. EDWARD B. VREELANDS, being first duly sworn, upon being examined, testified as follows:

By Mr. HOWARD:

Q. Mr. Vreeland, you are a Member of the House?—A. Yes, sir.

Q. Do you know Mr. Loud?—A. Yes, sir.

Q. Did you have any conversation with him in reference to any statement about the employment by the Electric Boat Company of any persons in his district?—A. Yes, sir.

Q. Will you state, please, when and where that occurred, and what was said?—A. I think it was two years ago this spring, while the naval bill was pending before the Naval Committee. I am unable to state whether it was in the room of the committee or whether it was at Annapolis. I was chairman of the subcommittee that investigated hazing at the Annapolis Academy, and Mr. Loud was a member of that subcommittee; whether it was there or in the committee room I am unable to locate in my mind.

Q. And that was the time?—A. Yes, sir; that was the time.

Q. Two years ago?—A. Yes, sir.

Q. Will you state, please, what he said to you?—A. My recollection about it is not very exact; I could not repeat the language. The fact merely remains in my mind that Mr. Loud said to me that the Holland Boat Company had employed quite a prominent man in his district to act in their behalf as attorney, and expressed annoyance that they should have employed a man in his district. That is the substance of it.

Q. Can you recall any particular language from which you deduced the conclusion that it was an annoyance?—A. I could not give you the words that were said.

Q. How did that conversation come about, Mr. Vreeland?—A. I could not say how it came about. I merely recollect that Mr. Loud said that to me, and my mind retains the fact that he said it and his state of mind about it, but I am unable to give you the language of it.

Q. Are you a member of the Naval Affairs Committee?—A. I was at that time.

Q. You are not a member of it now?—A. No, sir.

By Mr. OLMSTED:

Q. Did he give the name of the man who had been employed?—A. If he did give the name, I have forgotten it, because I did not know his name when I noticed it recently in the newspaper.

The CHAIRMAN. Does any other member of the committee desire to ask the witness any questions?

Mr. OLMSTED. I would like to ask another question.

By Mr. OLMSTED:

Q. Did Mr. Loud state to you whether or not he had spoken to anyone else about that matter?—A. No, sir.

Q. Did you speak to anybody else about it?—A. I do not think that I ever did.

Q. From that time to this?—A. I do not think that I ever mentioned it; I do not recall ever having mentioned it.

Q. Did Mr. Loud say to you whether or not that attorney, whoever he was, had endeavored to influence his vote on any legislation?—A. He said nothing of that kind; no, sir.

Q. Nothing from which you could infer that he had?—A. No, sir.

By Mr. HOWARD:

Q. Mr. Lilley desires this question propounded: Will you please tell this committee about the motion presented to the Naval Committee in 1906 on the subject of submarines, and the discussion on the same, and what changes were made, and on whose motion; what changes were made in any of the proposed motions, and by whose motion were the changes made?—A. A motion in relation to submarines?

Q. Submarines in 1906.—A. I have not looked at the record since 1906. The motions that were made in relation to the purchase of submarines are a matter of record, and doubtless the committee, I suppose, has them or can get them. A motion was made in the Naval Committee when the naval bill of two years ago was pending for the purchase of submarines to the extent of about $3,000,000; I am not sure of the figures, but I would say it is about the amount of the proposed appropriation. The resolution covering the purchase of these boats by the Navy Department was thought by some of the members of the committee to be too restrictive. It was thought by some of the committee that competition would not be entirely free in restraining under the provisions of such a resolution. Is that what you have in mind, Mr. Lilley?

Mr. LILLEY. Yes.

The WITNESS. The matter was discussed to some extent by the members of the Naval Committee, and finally a subcommittee was appointed, of which, I think, I was chairman, to redraft the resolution to meet the objection made. I think that is all there was of it, as I remember.

Q. Do you remember what you said would happen, on the floor of the House, if it went through the committee in the form in which it was originally drafted, or did you predict what would happen to it?—A. I very likely may have done so; I was of the opinion that the resolution as first presented might prove to be restrictive, and favored one that would unquestionably leave competition open; and I very likely, in the course of debate upon it, may have suggested the likelihood of an attack upon it when it came up in the House, on the ground that it might be considered as possibly shutting out competition.

Q. Was the resolution amended in accordance with your suggestion?—A. Yes, sir.

Q. Did it pass the House as amended?—A. Yes, sir.

Q. And is in the law of 1906 and 1907?—A. I think the same phraseology was followed for several years succeeding.

Q. What amount was appropriated for boats in that?—A. In that year?

Q. Yes.—A. As I remember it, it was about three million. Now, I have not thought of it since 1906, when the bill was up, and I would not be sure of the figures. I think it was in the neighborhood of $3,000,000.

Q. Was that reduced in committee to a million dollars?—A. I was under the impression that the attempt to reduce it to smaller figures failed, but I may have in mind a subsequent bill; I will not be sure about that.

The CHAIRMAN. Mr. Skerrett has been subpœnaed to appear here.

TESTIMONY OF ROBERT G. SKERRETT.

ROBERT G. SKERRETT, being first duly sworn, upon being examined testified as follows:

The CHAIRMAN. Mr. Howard, will you examine Mr. Skerrett?

By Mr. HOWARD:

Q. Mr. Skerrett, what is your name, please?—A. Robert Gregg Skerrett.

Q. Where do you live?—A. New York.

Q. How long have you lived there?—A. Since November, practically.

Q. Where before then?—A. Abroad.

Q. Where were you born?—A. Virginia.

Q. How old are you?—A. Thirty-nine.

Q. What is your profession?—A. Engineer.

Q. Where did you acquire it?—A. Practically.

Q. You speak of having come from abroad to New York: how long were you abroad?—A. I went abroad—left here in March, 1905; returned for a while in 1906; came back in July of 1906, and returned to Germany in December of 1906.

Q. What parts of the world were you in when you were away from the United States?—A. In Germany, in Holland, in Russia, principally.

Q. How were you employed in those countries?—A. I was employed by the Lake Torpedo Boat Company.

Q. To do what?—A. Design work and the preparation of technical presentations of the merits of the company's boats.

Q. Doing designing on torpedo boats?—A. Yes, sir.

Q. And presenting to the attention of the governments the technical side?—A. Of their boats.

Q. Of the Lake torpedo boats?—A. Yes.

Q. When you went to Europe, before your first visit there on this business, where were you engaged and how?—A. How far back do you want to go, sir?

Q. I would like to begin with the learning of your profession.—A. In February of 1888 I was appointed a copyist in the Bureau of Construction and Repair and assigned to duty in Baltimore in the office of the superintendent and naval constructor in charge then of the construction of the gunboat *Petrel;* was there eighteeen months and was transferred back to the Navy Department. In 1902 I resigned.

Q. How did you get into your first employment in naval construction?—A. Well, I passed the civil-service examination.

Q. As engineer?—A. No, a copyist; clerical, purely.

Q. What collegiate education had you, if any, before this special course was taken up?—A. I am a member of the Washington bar.

Q. Now, have you any experience in naval construction except that which you have related?—A. I was born in the service, sir,

and brought up in that atmosphere; never heard anything else but naval matters, generally, discussed.

Q. Did you get the shore atmosphere of it or the sea atmosphere of it?—A. Well, I got nothing but the shore atmosphere. You mean as far as I was personally concerned?

Q. Yes.—A. That is all.

Q. Did you ever design or do any designing on a torpedo boat, submarine torpedo boat?—A. Yes, sir.

Q. What part of a submarine have you assisted in designing?—A. In the general plan of some of the Lake Torpedo Company's boats.

Q. The general plan of the hull?—A. The hull and the internal arrangements.

Q. What part of the internal arrangements did you assist in planning?—A. I had practically the entire charge of planning the general scheme of two types of boats, submarine boats. One boat was for the purpose of operating under the ice and the other was for planting mines; it was called a "submarine mine-planting boat."

Q. Were both those productions under the Lake patent and Lake corporation?—A. Entirely.

Q. You had no experience, then, in the construction of submarines except at the Lake boat school, so to speak?—A. That is all.

Q. What you call the submergence?—A. Yes.

Q Have you undertaken to work out any problems connected with the development of the boat, or have you been confined to the execution of ideas given to you by other people?—A. Pretty generally that.

Q. Execution of ideas?—A. Pretty generally, but I have been a student of the subject.

Q. Now, the principal thing is that you construct a boat that may be sunk under the surface of the water and then regain its buoyancy and float?—A. You ultimately hope to come to the surface; yes, sir.

Q. And you hope not so very ultimately about it?—A. You hope to be able to control that function.

Q. That is the bladder phase of it, the fish shape?—A. If you put it that way. They have a swim bladder technically. That is the way they go up and down in the water. By allowing the expansion and contraction of it.

Q. You undertake to do the same thing?—A. That is the principle.

Q. Have you ever studied any other type of boat?—A. As far as I could, yes; as far as I could get information.

Q. Are there any secrets connected with the construction of the different types of these boats?—A. I imagine that almost every designer has phases that he considers more or less secret. The principle is not secret; the application is secret.

Q. The bladder application is common to all of them; it is a question of secrecy that may exist in getting the eyes fixed so that you can see, the practical application of submergence and getting back to the surface. Are there any secrets in the construction of the Electric boat not known to you?—A. I imagine that there may be.

Q. Are there any secrets in the boats constructed for and by Great Britain not known to you?—A. Yes.

Q. Are there any secrets in the boats constructed for and by France?—A. Yes.

Q. Secrets unknown to you?—A. Oh, yes.

Q. Would they be equally unknown to other persons similarly interested as yourself?—A. Quite likely.

Q. Would they be unknown in the face of honorable, diligent search after them?—A. They might not, some of them; some of them might be developed by diligent and honorable search; there are always persons who are willing to talk, if you can find them.

Q. Generally, people capacitated to understand when they are talked to?—A. More or less.

Q. You have been diligently and honorably undertaking to understand and find out any of the secrets?—A. Wherever I possibly could.

Q. And with that diligence, in the light of it, you are under the impression there are still secrets?—A. I am quite sure of it.

Q. Are there any European governments engaged in building these boats except the ones we have mentioned, Great Britain, France, Germany?—A. By building them, do you mean actually building them themselves or paying the bill?

Q. I mean—yes, constructing.—A. Italy is building, Holland has built, Norway and Sweden are having them built for them, Germany has built and is building, Russia is building, Austria is building, Japan likewise.

Q. Now, then, are you prepared to say that the Lake type of boat in its greatest attainment toward perfection is a better boat than any of the Russian productions, any of the French productions, or any of the German productions, any of the Italian productions, any of the English productions?—A. You mean am I willing to say that it is superior to all other types?

Q. Known to you.—A. No; I should not.

Q. Are you prepared to say wherein it is less than superior or less than equal, if you are prepared to concede it is less than equal?—A. Up to the present time I should say the prime failure wherein they do not equal or exceed others is in the point of speed.

Q. That every other feature that could be attained by a successful submarine boat has been attained by the Lake boat, except in the matter of speed?—A. Yes, relatively.

Q. That is, with the knowledge of the excellence that may exist in other types than yours, and in other governments, unknown to you?—A. Yes.

Q. Compared with the latest product of the Electric Boat Company, known as the Holland, are you familiar with that boat?—A. Only as I have read in the papers, and in the Document No. 21 by the House Naval Committee, wherein certain features are given.

Q. Are there secrets in connection with that boat and its manufacture in that connection that you think you are not familiar with?—A. I am certain of it.

Q. Are there any such secrets that you have any reason to believe that there is any secret of excellence which you are not familiar with?—A. Yes.

Q. Then, if there are such features, then the Lake boat, in so far as it has embodied your own ideas, would be deficient in that respect, would it not, apart from the mere matter of speed?—A. Well, I *can not* answer that. I do not know if there are other particulars,

other secret phases of the boat of which I have no knoweldge. I can not make a comparison.

Q. And there are reasons why you can not make a comparison and why, as a matter of fact, you do not make a comparison.—A. You mean of the construction of its internal features that are secret, no, sir; I can not make that comparison.

Q. Can you then say, as a technical man, that the Holland boat is a superior type of boat to the Lake boat or that the Lake boat is a superior type of boat to the Holland boat? Can you affirm either proposition?—A. Of my knowledge, the only point in which I generally consider the Holland boat—the *Octopus*, if you are using that as a basis—superior to the Lake boat is in the point of speed.

Q. Now, then, I want to understand you fully in order to be perfectly fair in the conclusion to be drawn, that you are at no greater advantage with respect to the British and European productions than you are with the Holland?—A. No; I am not.

Q. Now, then, are you able to say that in purchasing the Holland boat the United States is getting a less efficient boat than the British Government and European governments are producing?—A. I do not think I said that.

Q. What, substantially, of that nature have you said?—A. I think that I have said that if the same standard had been set the *Octopus* on her trials that had already been reached that her superiority would not be so pronounced as it seems on the face of it—in substance.

Q. If she had been tested in accordance with standards of foreign governments that she would not have had the superiority?—A. Exactly.

Q. Does that mean, put in a different way, that she is not the equal of foreign boats?—A. That is the substance of it.

Q. She is therefore inferior to foreign boats?—A. I think so.

Q. Now, particularly in what does that inferiority consist?—A. In speed.

Q. And you are inferior to the Holland in speed?—A. Well, you can't say I, because I am not identified with any boat at all.

Q. I beg your pardon, it had not reached that phase of it. I was merely trying to get in a proper climax, taking you as a naval architect and identified with the Lake boat. I am not now on that phase of the examination. Taking your expert opinion without alluding to it as yourself, the difference between the Lake boat and the Holland boat in your opinion is the difference in speed, and you concede the greater speed in the Holland boat?—A. Up to the present time, yes, sir.

Q. And the difference between the Holland boat and its foreign rivals is the difference in speed and the advantage in favor of the Holland boat?—A. Yes, sir.

Q. Have you written any articles for the press on this subject?—A. I have.

Q. When?—A. You have one there in Harper's Weekly.

Q. Can you tell me when that was contributed to Harper's Weekly?—A. You mean the date?

Q. Yes.—A. I should say probably a month ago, a month or five weeks ago.

Q. Do you mean to say by that that the copy for the article left your hands at that time?—A. Yes, sir, about that time.

Q. Did you contribute any other article?—A. There is a letter to the editor of the Scientific American, which is published in the supplement. That is another one.

Q. Will you state when? I believe this is divided into two installments.—A. Yes; but it is dated.

Q. Will you say when the copy of that left your hands?—A. The date that is on that letter, March 12.

Q. On the first letter, the first number printed?—A. Yes, sir.

Q. Did you have access to the copy in either case after that, did you revise or correct it, was the proof ever submitted to you?—A. The proof was.

Q. When was the proof submitted to you?—A. My impression is March 12, Thursday or Friday. That is my recollection, and I read the proof of that I think Saturday, the first half of it.

Q. The Saturday following?—A. The Saturday, they published it the next week.

Q. Which would be the 14th or the 15th of the month?—A. Yes.

Q. That is in the case of Harper?—A. No, that is in the case of the Scientific American article.

Q. When was the proof submitted to you, and when was it revised in the case of the Harper article?—A. The Saturday before it appeared.

Q. It appeared——A. Last week.

Q. Now, what correction or alteration did you make in the article?—A. I changed the number of English boats. I mentioned in there how many boats they were building of the "D" class, I think, and I made that change.

Q. How did you procure these articles to be printed first in the Harper's?—A. I went to the editor of Harper's Weekly, and told him I had read in the daily papers that Congress purposed providing for eight submarines instead of four originally proposed by the Department; that, in effect, in providing for eight submarines they had cut down the provision for battle ships by one-half. I told him that I had been abroad in connection with the submarines, that I was interested in the subject, but that I did not think the submarine was any answer to the battle ship. I thought it would be a mistake to substitute submarines for battle ships. I told him I did not think the state of the art had reached the point where that was justified, and we discussed the whole subject.

Q. Who was that?—A. The editor of Harper's Weekly.

Q. I am unfortunate in not knowing.—A. George Buchanan Fife.

Q. What else followed about it?—A. We discussed the subject generally. He said he had graduated at the Naval Academy, I believe, and was interested in naval matters, and he would like to have me write an article.

Q. Was the article paid for?—A. It was.

Q. Who paid for it?—A. Harper's Weekly.

Q. Now, the Scientific American article, how did that come to be published?—A. I went to the editor of that paper, and I told him that I understood the Scientific American had always stood for the advancement and betterment of the American inventor, that as I understood the present bill I did not think it opened the field

to competition, that it was practically so restrictive that there was only one concern that could participate. I told him what my ideas were, and what authorities I had, gave him the official records, the testimony before the House Naval Committee, and so forth.

Q. Who was that?—A. That was Mr. Charles Munn.

Q. Did he consent to publish your article?—A. There is the proof of it.

Q. Was the article then prepared?—A. In part, a general synopsis.

Q. Did he pay for that?—A. He did not. They do not pay for contributions.

Q. Did you ask for any pay for it?—A. I did not.

Q. Now, did any other person pay you?—A. Not a cent.

Q. Any sum of money whatever?—A. None whatever.

Q. Did any other person discuss with you the advisability of publishing these articles?—A. No, sir.

Q. Was the subject-matter of these articles discussed between you and any other person?—A. No, sir.

Q. Before you undertook to have them printed? The authorities you referred to in your conversation with Mr. Munn, you indicated that they were reports of the Navy Department?—A. No; I did not. They are official documents of the hearings before the House Naval Committee, the House, and the Senate, the various documents that have been published from time to time.

Q. And they consisted of hearings?—A. They consisted of hearings.

Q. And they are made up generally of what?—A. Well in 1903—in 1902, there was an effort made to secure an appropriation, I believe, for something like twenty boats, if I recall, and Congress generally, as I gathered from the testimony, was not disposed to embark in that large appropriation, and it called upon the Navy Department or the officials of the Navy Department for testimony regarding the relative merits of submarine boats as so far proved by the boats then in the United States service, and it was from those discussions and hearings before the Senate committee of a kindred nature and other official public documents I have drawn that information.

Q. Then those documents afforded, in the way of information on the part of the Navy people about submarines, what they were fitted for or what they cost to construct, what type should be adopted, what their effect as a weapon of defense in war was, and from other such information you derived from those hearings?—A. Yes.

Q. Have you any reason to believe that subsequent similar hearings treating of practically the same question in the light of increased information and experience are any less valuable wherein they conflict with the later ones than the material you first used?—A. Well, I do not recall any subsequent hearings.

Q. If there were opinions of boards of inspection, if there were opinions of Secretaries of the Navy, to be found in recommendations to Congress, if there were opinions as to the cost of construction or type of boats and details to be found in the board of construction, would that likely be of equal high authority?—A. Quite likely.

Q. You know no reason for offsetting one period of naval administration against another on account of your information or personnel in the Department that supplied it either to Congress or to the public?—A. I should think it would depend entirely upon what

wealth of information had come into the possession of the Department in the meanwhile.

Q. Exactly; in other words, any expert opinion derived its value——A. From practical experience.

Q. In a sense. In the matter of date, the first article in the Scientific American seems to have appeared on March 21, 1908. Is the first installment of the article in the Scientific American Supplement?—A. Yes, sir.

Q. And that was handed in about a month or more before it appeared?—A. Not in the Scientific American; no. That was handed in on the 12th of March, and the week following it was published. The Scientific American apparently is issued on Wednesday, and it has the date of the Saturday following of that week.

Q. This is the material part of it. At the time of the publication of this article were you aware that the Navy Department had made a contract with the Lake Boat Company for one submersive boat?—A. Yes, sir.

Q. Were you aware at that time of the nature of the terms of that contract?—A. No, sir.

Q. Have you ever sought to inquire into or find out what the nature or terms of that contract were?—A. Nothing, except the general press statements.

Q. What were they?—A. That it was an agreement contract.

Q. You undertook in writing about it to say "the Attorney-General decided that the Department could so contract with that company. Secretary Metcalf, therefore, has ordered a boat of the Lake type of 500 tons displacement, but not one penny is to be paid until the vessel has been finished and tried and formally accepted by the Navy Department. Once again, the Lake firm is obliged to foot this bill and to embark upon a fourth enterprising venture to secure governmental recognition. This is entirely contrary to the character of the contracts with the Electric Boat Company, which receives regular installments from the Government as the work on its vessels proceeds—the question of the meeting of the contract terms being of course undecided until the vessels have been actually tried."

You were not aware, then, that allowance was made by the Secretary of the Navy in this Lake contract for a sum of money approximating $20,000 as an offset of any interest allowance, as it were, against any advantage given to the Electric Company in making payments by installments on its contracts?—A. Only in so far as the press stated that fact I realized that.

Q. Now, then, what press made any such statement of any such fact?—A. The daily papers. I read it in the daily papers.

Q. Do you recall any particular one?—A. I am under the impression that I read the Herald; I won't be certain.

Q. But you read that before you wrote that article?—A. Yes.

Q. Now, then, do you not therefore, with that knowledge before you, think that that is an effort toward equality in contract?—A. No; I do not think it is.

Q. What is it doing in the contract—would you have put it there?—A. In the ordinary contract for Government vessels the Government pays upon course of completion so much, or such installments of the total contract price.

Q. We all understand that, I think. I did not mean to cut you off. I think you must say, if I ask you the direct question as to why the Government does that, you would answer me by saying it is because the Government knows what it is going to get.—A. No, sir; I would not.

Q. What would you say?—A. Because it is a fact that the Government does not know what it is going to get. That is proven in the general nature of contracts, where there is a penalty involved. The condition is proof of the fact that the Government does not know what it is going to get. In all these contracts, there is no difference whether submarine vessels or other vessels, there is a penalty for the non-realization of promise, so the Government can not know what it is going to get until after the trials.

Q. In the sense in which I stated that, the Government knows what it is going to get if its contract is faithfully performed.—A. Oh, yes.

Q. The matter of penalties in the references you make was for faithlessness——A. No; I do not agree with you, sir.

Q. I waive that; we come to this; this is what I am driving at: The Government can contract for a cruiser or battle ship to be built with known material, to be built to accomplish a certain speed, to be built with a certain coal consumption; in other words, a certain radius of action, just as the armor, just as the guns, and everything else, has been a matter that has been tested out and tried and experience tells the Government that if I make specifications and they are honestly carried out I get a definite result, and on that kind of contract the Government is willing to pay by installments, the work being done under the Government's direct supervision; is that true or not?—A. It is true.

Q. Now, then, in the matter of this class of boats, what is the difference applied to the fact between the Lake contract and the contract for the electric boat between which you draw the comparison?—A. The difference is that you are dealing with an essentially experimental craft, in which it is not altogether as easy to promise or to presage what they are going to get as it is with other known types of naval vessels; so that where each contract involves more or less a material departure from previous standards, there is an atmosphere of uncertainty, an element of risk, and that applies especially to submarines.

Q. Isn't it true, where the risk has been taken once it has been reduced to the concrete experience in the performance of a given boat?—A. You mean reproduction of the same boat?

Q. And the reproduction eliminates an element of risk that entered into the first?—A. Yes; if you are reproducing, not if you are building other boats wherein you are involving other elements.

Q. Isn't it true that certain features in any kind of boat or house or anything else, a bridge, having been tested and essentially proven satisfactory, that the progress of experiment passes on to other phases and other features, accepting the tested and proven part of it as a basis?—A. Only to the point where the development does not bring in different conditions.

Q. Now, then, if the Government had bought an *Octopus* and was satisfied with its performance and was about, through Congressional legislation, to buy more, could there be any doubt about what the

Government was buying, if it was making no alterations in its additional number?—A. I should say not.

Q. Then, that being true, would not the contract for paying for its new *Octopuses* and additional *Octopuses* by installments be on a parity with its contracts in paying for battle ships or anything else that the Government buys, and it would get the work faithfully performed?—A. In the case of reproduction that is so.

Q. I understand you to say that this is a case of reproduction?—A. No, sir.

Q. Do you not say in this argument in your article that—

> The act of 1908, now pending, is restraining, excludes the possibility of competition with any other type, and not only so, but comes back to an old type, older than the British or European types, and therefore less effective and less efficient.

Is not that your very criticism?—A. No, sir.

Q. What is your criticism?—A. Along that line it is simply that the *Octopus*, under her contract, was given eighteen months for construction; she was not finished in eighteen months, and, so far as I know, she is not the property of the Government to-day. Now, then, if upon the passage of this act another competitor is expected to enter the field and produce a boat similar in form to the *Octopus* between the passage of that act and the 1st of October it is impossible.

Q. That is one point you make, but, as I understand your article, you make a comparison; you say the Government is constantly buying not only an inferior boat, comparatively, but an obsolescent type of boat, because you say it cuts out American skill and inventive genius and deprives the Government of the benefit of it.—A. I do not think I said it was an obsolescent type.

Q. No; you did not use the word obsolescent. I did not know that meaning until I got into this investigation. I understand obsolescent you apply to something the Government or War Department or Navy Department admits of no use for the purpose of getting something in the way that they have less use for. I confess that this is a part of my education recently acquired—that word obsolescent. But, philology apart, isn't it true that if the *Octopus* type of boat is the boat restricted to by existing and proposed legislation, isn't it known, so far as the Government is concerned, and differs with it from the experimental character of the Lake boat?—A. Fundamentally, no, sir.

Q. Now, I understand that the present development of submarine construction, compared with what may take place twenty, thirty, or forty years hence, may show this style in the experimental stage and quite a crude type of vessel. I can understand that; but comparing this year with next year, comparing an effort to-day before Congress or the Navy Department on the part of the Holland people and the rival company, the Lake people, in the same year, utilizing information such as is common to everybody, either the essentials in the abstract, or as applied to any given boat, and isn't it a fixed type, and isn't the Government buying something that it knows?—A. Oh, yes: buying something that it knows.

Q. Then, what risk does the Government take in paying out any installments on the construction?—A. I do not see that it is taking any risk, except so far as there may be developments in these boats' special features.

Q. In the new boats?—A. In the new boats, which I admit I know nothing about.

Q. I was going to say your article did not give them credit for undertaking to improve them.—A. I am dealing with the condition up to date.

Q. Now, then, in view of that admission that buying the *Octopus* they know what they are buying, are you prepared to say that an allowance of twenty-odd thousand dollars in the Lake contract is not an allowance equitably to right the difference in conditions between the two companies?—A. I would not undertake to answer that, sir.

Q. What impression have you of that? Suppose it was put to you as Secretary of the Navy to make this contract, and the question were put to you, "Will you give us an amount which, in the event we make an acceptable boat, will offset the advantage given under the usual form of contract?" how would you have treated it?—A. Well, I can not just exactly place myself in that position.

Q. Let us not make any effort to do the impossible; tell me what it is doing in that contract?—A. Which do you mean?

Q. What is that extra allowance of twenty-odd thousand dollars doing in that Lake contract?—A. I do not know of it.

Q. Did not I understand you to say that you saw it from the press?—A. That they had an agreement contract, yes, sir, to build a boat for $450,000. Now, I know nothing about any allowance apart from that contract price.

Q. You then undertook to write an article in a serious technical journal——A. From the best source of information I had available.

Q. Setting out a basis of criticism of another concern and predicated on the criticism of Congress without the information that you could have obtained by inquiring for the contract or a copy of it at the time?—A. I do not know whether that is available.

Q. Could you not have found out through the Lake people what that contract was?—A. I had no reason to inquire of them.

Q. You were undertaking to inform the public, weren't you?—A. Of the state of the art, yes; as far as my knowledge went.

Q. And incidentally of the state of legislation?—A. Yes; as far as my knowledge went.

Q. Why wasn't it important to inform the public precisely and accurately? You close one of those articles with the hope that Congress will give the country the benefit of its money and other hopeful expressions of that kind. Now, why not have given the public when you were undertaking to inform it all that it was possible to give it?—A. I gave it the benefit of all the information I had available.

Q. You could have found that contract, you knew the proper home of the contract was at two places, one the Lake Company and the other the Navy Department of the United States?—A. Yes, sir.

Q. You knew that it was then a public contract or public matter?—A. I did not know it was a public document; no, sir.

Q. Not a public document in that sense, but if the newspapers, the press, the New York Herald and other papers were permitted to publish the facts concerning it, facts taken from its body, could you not have access to it?—A. I was in New York.

Q. It got to New York, did it not? Is there anything on earth anywhere that is not in New York?—A. I do not think New York thinks so.

Q. Is there any information on earth that is not in New York? Does not New York furnish Washington with its information?—A. It did in this case.

Q. Are you prepared to assert, and I suggest it to your candor, that you omitted to state an important fact connected with this last contract that the Lake people made?—A. No, I can not really accede to that, sir, because if I failed to admit that would imply that I knew, and I did not.

Q. I believe I have made myself plain to you?—A. I hope I have succeeded likewise, sir.

Q. Your article starts with this:

The departure of the battle ship fleet has left the Atlantic seaboard sorely crippled so far as the mobile defense of heavy fighting ships is concerned. Should circumstances develop threatening hostilities, the cities of the eastern coast could rapidly be laid under tribute or reduced to ashes by any one of the principal foreign powers. This fact has called forth earnest protest and has given occasion for a determined move to effect legislation providing for a large number of submarine boats in lieu of the regular departmental recommendation for four first-class battle ships and only four submarine vessels.

Setting aside the unwisdom of substituting submarines for battle ships, the present effort to secure an increased provision for underwater craft could well be justified if the bill had not been drawn in a restrictive manner for the promotion of a single type of boat. This is not in keeping with technical advance, nor does it make for the nation's security, viewed in the light of the state of the art in its widest developments.

Now, that is a criticism of the proposed act of Congress, because it is not in keeping with the development of the art; and another place you conclude by saying, after quoting this proposed legislation now pending:

It was the manifest spirit of unfairness to the American inventor of the foregoing Congressional provisions which provoked the Hon. George L. Lilley, of Connecticut, to demand the present investigation.

Are you not aware of the fact that Mr. Lilley expressed himself as satisfied with that provision if it had provided for an equal number of Lake boats?—A. No, sir.

Q. If the provision had provided for an equal number of Lake boats, would you have had any criticism to offer on the proposed legislation?—A. I should.

Q. On what ground?—A. That it shut out everybody else.

Q. Is there anybody else?—A. There are others; yes.

Q. Where?—A. There is a concern in Denver called the Submarine Navigation and Supply Company.

Q. Denver, Colo.?—A. Denver, Colo., which has produced a model which they have experimented with here in Washington. I have seen that model run. If they can ever do with a full-sized boat what they have done with the model, they have a very remarkable craft—if they can produce in a full-sized vessel the same performance, the same mobility, that they have in that boat.

Q. Now, then, if they realize their hopes, will that be a better vessel than the Holland?—A. If they realize their hopes, it will probably be better than anything else yet built.

Q. If they realize their plans?—A. If they realize their expectations or their hopes.

Q. Let us put it on the plans; on the model. If they realize in the large model such a performance as the model has achieved, they have got a remarkable boat?—A. Yes, sir.

Q. Now, by comparison, how does it compare with the Holland boat?—A. In the method of control? You can not compare a model with a full-size ship.

Q. You mean you can not compare them in the sense of the quality of size?—A. No.

Q. I presume not.—A. No; nor the question of performance.

Q. Nor the question of performance.—A. What they may be able to do in a small-sized model may not be susceptible of reproduction in a full-sized boat, or vice versa.

Q. Is there such promise, or is this vessel constructed on such sufficiently well understood principles applicable to what would be successful submarine construction to justify the expectation that when the model is developed into a workable craft it will accomplish what the model prophesies?—A. Well, I can not say what it will accomplish. I say that if they meet their expectations, and if a model of full size operates in the way this boat operates, it will be a very remarkable craft.

Q. Now, for comparison, would it be a better boat than the Holland boat? Their latest one, their biggest one, their best one?—A. In the method of submarine control and the method of submerging I should say yes.

Q. Taken as a whole?—A. That is my belief.

Q. Would it be a better boat than the Lake boat?—A. I believe so.

Q. Would it be a better boat than any foreign boat you know of?—A. Yes, sir.

Q. Then the proper attitude of Congress would be to stop all submarine building, Lake or Holland, and wait the development of this model?—A. Not a bit.

Q. What would be the proper attitude of Congress?—A. As I understand these people—I am not speaking for them, but I can repeat what they have said to me—they are prepared to build a boat, a full-sized boat, upon a contract similar to the one that the Lake people have, an agreement contract, promising to meet certain requirements specified by the Department, and to be either accepted or rejected after it is built.

Q. Then how does that justify the criticism of the proposed legislation?—A. It shuts them out.

Q. This proposed legislation shuts them out?—A. I should certainly say so.

Q. It did not shut the Lake people out?—A. The proposed legislation is not effective.

Q. It can not be until it becomes legislation, but have you compared that with the act of 1906 and the act of 1907?—A. The act of 1906 opened the field to competition.

Q. The act of 1907?—A. The act of 1907 did not, as I look at it. The Attorney-General, I know, has decided differently.

Q. The Secretary of the Navy opened that, didn't he?—A. He had his doubts, yes.

Q. But you say here that he was persuaded?—A. By the judgment of the Attorney-General, I think.

Q. "The Secretary of the Navy, however, was fully persuaded that the boats of the Lake type possessed distinct merits, and he believed that that company could produce vessels of high military value, but he felt obliged to defer to the Attorney-General for an opinion regarding the Department's right to enter into a contract with the Lake firm in view of the wording of the law of 1907." So that if the Attorney-General is correct in that, is the proposed law of 1908 any more exclusive in its terms than the law of 1907?—A. You are asking me for my opinion?

Q. Yes. You have undertaken to criticise——A. Yes, sir.

Q. It is more exclusive?—A. Yes, sir.

Q. Then if it was the judgment of Congress that it wanted electric boats, the language would have to be more exclusive in order to get its will carried out, wouldn't it?—A. I think not.

Q. You think the Attorney-General——A. I think the language of the present bill practically accomplishes nothing more than a provision for the Electric Boat Company's boats.

Q. And if Congress in its judgment wanted Electric Boat Company boats, which you say are better in the quality of speed than the Lake boat, and inferior to foreign boats in the matter of speed alone, and this model in its infancy has not yet reached a point where you would say that Congress would be justified in stopping altogether its naval programme as to submarines, would you say that that was the only way that Congress could have its will was to make the language exclusive?—A. I would say that that was the only way they could do it, if they wanted one particular type.

Q. Are you prepared to say from this opinion you have expressed that eight boats of this type are more than the Government should have?—A. No, sir.

Q. Then if Congress would take the additional action, taking eight of these, four of another, and half a dozen of another, would still not necessarily show that it had been corrupt in selecting those eight?—A. I do not think I have brought in the question of corruption.

Q. Not perhaps in its strictest intendment. This is in the Harper article:

> The partisans of the submarine type of naval vessel have precipitated a pretty wrangle in Congress by dropping two of the four battle ships recommended by the Naval Committee and substituting in their stead eight submarines—

I believe that it is the editorial in the Scientific American that hints——A. The editor of the paper is responsible for that.

Q. But there is a significance in your language, "has precipitated a pretty wrangle in Congress," "the partisans of the submarine type." If you say that eight in number of these boats would not be excessive, and the boat has reached a degree of efficiency that makes it worthy to be purchased, the characterization, the characterization of those men in Congress who stand for that proposition, and in standing for it occupy that position, are they properly characterized as partisans who precipitated the wrangle?—A. They are partisans of the type of boat. That is, a submarine boat as apart from surface torpedo boats and as apart from battle ships. They evi-

dently believe that the submarines are better than the battle ships for the time being; that is all that is intended there.

Q. Now, I want to ask you this: You were aware of the Lilley investigation when you wrote these articles?—A. I could not help but be.

Q. I ask you whether or not the writing of these articles was not suggested as pertinent and opportune at this very crisis, the crisis made by the Lilley resolution?—A. No, sir; I was prompted to write that article, which was written five weeks ago, entirely upon the question of the technical value of discussion in the service journal and the press regarding the question of battle ships and sumarines. It had nothing whatever to do with Mr. Lilley's resolution.

Q. Had you heard any of the testimony or read the charges of Mr. Lilley?—A. I had heard none of the testimony, I think, five weeks ago.

Q. Had you read the charges?—A. I do not remember just exactly.

Q. Do you know Mr. Lilley?—A. I have never met him.

Q. When did you leave the service of the Lake people?—A. In November.

Q. State to the committee why.—A. I grew tired of living abroad, I did not think that the work offered future enough for me, and I came home of my own volition.

Q. In connection with this line?—A. Yes, sir.

Q. Submarine construction?—A. Submarine.

Q. Naval construction?—A. Naval construction.

Q. Where?—A. In New York.

Q. What particular firm are you engaged with?—A. With none.

Q. Are you a consulting engineer?—A. Yes, sir.

Q. Have you ever been called in consultation since your withdrawal from the service of the Lake people?—A. I have.

Q. They are still your clients?—A. Intermittently; yes, sir.

Q. Whenever they have need of your services?—A. Yes, sir.

Q. Are you called in consultation in any other submarine concern?—A. No, sir.

Q. Have you been consulted by the *Denver* project?—A. Never.

Q. Have you given an opinion as to its merits?—A. Not yet.

Q. Would you think it a proper suggestion that the principles of the *Denver* model operate to bring about the suggestion that Congress ought to open the door wider to all experimental types of submarine construction?—A. Do you mean was I influenced by that?

Q. Yes.—A. No, sir.

Q. You were not influenced by that at all. Suppose submarine construction would stop, and Congress would no longer appropriate for them, what line of business would you then follow?—A. I should probably follow the same line.

Q. Submarines?—A. Yes, sir.

Q. For home consumption?—A. No, sir.

Q. For foreign governments? Are you prepared to tell the committee whether the use of submarines by foreign
excess of the use of them by this Gov
popular with the naval administrati
think any yearbook dealing with n
it must be the case, if you take t
possession of different foreign g

Q. We are behind them?—A. Yes, sir.

Q. You are not prepared to exhibit that to the more effective methods of corrupting parliaments and princes?—A. I am not discussing that at all.

Q. I understand you have stated in these articles——A. I am not even discussing that.

Q. In these articles you undertake to set out the history of the very unfair business of legislation, the object of which is not to give the country value received for its money, and not to give the country the highest product of its inventive skill and genius.—A. Not open up the subject to everybody.

Q. Not open it to everybody?—A. That is it.

Q. I ask you whether or not it was not within your contemplation that these articles written by you would affect the public judgment on the subject of submarines?—A. Naturally.

Q. Were they not intelligently intended to affect public opinion on the subject?—A. To give to the public as far as I understood the state of the art.

Q. That was its object?—A. Yes, sir.

Q. Mr. Lilley, in one of his charges, says:

> It can be shown upon investigation that certain representatives of leading newspapers have been subsidized and paid by the Electric Boat Company for favorable newspaper articles and reports in behalf of said company.

He says in another place:

> I also charge that certain newspaper correspondents, representing journals whose expressions have so much to do with public opinion, have been employed by the Electric Boat Company ostensibly to write certain articles and to perform certain services for said company at extravagant compensation, but really for the purpose of influencing and representing what are supposed to be and taken by the public to be the unbiased and unprejudiced newspaper reports of the submarine situation.

Are you aware of any publications on the subject of submarines which you have seen in any publications wherein views have been advanced different from your opinions either as to the type of boat or any other important feature of submarine construction?—A. I have read from time to time various articles more or less dealing with the question of submarines, some of them advocating certain features and some of them certain others; some of them exalting the surface speed, and some of them subordinating them to higher submerged speed; and thus it goes all through.

Q. Has it occurred to you to characterize these publications differing in opinion from yours as purchased and subsidized and practically intended to poison the public mind or prejudge the public mind in favor of some worthless or less worthy submarine boat?—A. I do not know of anything of that sort.

Q. You think no form of charitable judgment would reach any such deduction as that?—A. I have never read anything that would come within that scope.

Q. Are those subjects of general interest to you in view of your profession—that is, you are familiar practically with all of the literature on the subject, scientific and popular?—A. As far as I can follow it.

Q. I say practically so?—A. Yes, sir.

Q. Do you know of any productions in the press recently in behalf of any particular boat that would justify any such characterization of them?—A. I do not recall any.

Mr. HOWARD. I have no further questions.

By Mr. STEVENS:

Q. As I recollect, you stated that you desired the best possible type of naval development as to this submarine construction. Now, you have had considerable experience in the Department and in the service of construction companies. In what way the Government could obtain the best results out of a single appropriation. For example, the naval bill carries an appropriation of $3,000,000 for the construction of submarine boats; under which policy would the Government obtain the best type of boats, that would produce the best results, by providing competitive tests and that the winner of the tests should have the contract for the boat, or the other policy, by establishing a certain standard, establishing certain specifications, requiring certain results, and then purchasing of all the different companies that might produce boats that would attain that standard or produce those results? Under which system would the Naval Department get the best possible boats for the Government?—A. By the one you last suggest.

Q. Then you think if an inventor or if a concern has a large number of patents and a large number of skilled designers, that they will put their best efforts into a boat, although they know they will not supply all of the contract that will be provided by the appropriation; you think that that is the best method of insuring the very best possible that skill can produce?—A. Yes; I think so.

Q. You think that after a concern has put the best that they can do—they get a certain proportion of the contracts of that kind, and another concern comes along and does not produce as good a boat, does not pass a successful test, does not accomplish as good results, and yet get equal contracts, that that is the method that is designed to produce the best results for the Government?—A. I think that in the case of the development of the art, that the best thing is to have sufficient proof that they had something that was mechanically possible, and then if they upon that performance were willing to embark upon a contract that made the case of purchase or rejection should they fulfill or otherwise, that is the best way under the present state of the subject to develop the submarines.

Q. I was asking a little different proposition. I was asking in what way the Department could get the best results out of a specific appropriation in one appropriation bill. That is quite a different proposition, covering a long period of years.—A. The only way I can answer that is to make a comparison. When the United States Government began building surface torpedo boats it began with practically no experience at all of its own. And when Congress appropriated, if I remember right, for something like a dozen or more of those boats, bids were made for all sorts of performances by yards that had never built a single surface torpedo boat. In the case of the Bath Iron Works they had never built a single torpedo boat. They went abroad and got certain patent rights of reproduction. They came back, and they submitted a bid upon the performance of a French surface torpedo boat, and they got the contract.

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Q. Then I understand from you that the ordinary submarine construction has not progressed beyond that experimental stage where the Government can afford to disregard everything that is brought out?—A. That is what I think.

Q. That at this time no one company can construct a boat of sufficient excellence so that the Government can afford to buy but a few boats of that particular kind for present use?—A. That is my opinion. Now, I base that opinion upon this: The Germans have boats of 240 or 250 tons, much smaller boats than the *Octopus*. These boats have made between 11 and 12 knots on the surface and between 9 and 10 knots submerged. That is practically what the Holland boat has done on a very much larger displacement. Displacement is the general basis upon which we work. The Italians have built submarines of about 250 tons displacement, obtaining substantially the same speed——

Q. Then you think it would be most advantageous at the present time to adopt the policy of the Navy Department fixing a standard requiring certain results, providing certain specifications, and then allowing any company that can bring their boats within those requirements to sell the boats to the Government?—A. Yes, sir.

Q. And that it would not be policy to ask everybody to provide the very best he can and give him a premium by exclusive contract for boats of that kind?—A. Well, that would depend entirely. If you limit the thing to displacement, you practically limit the possibilities. Do you mean that? Do you mean in presuming a certain requirement to say that a boat shall be of certain displacement and upon that displacement to produce certain results?

Q. Yes.—A. That is bringing them all down to a parity.

Q. Does not the plan that you advocate practically provide for that?—A. Yes, sir.

Q. You think that is better than asking the inventors to provide the best possible boat they can provide under the general theory that they are to get a contract if they provide that—A. You need not eliminate that phase.

Q. But do not you eliminate it by putting them all on a parity?—A. No, sir; because you can say we will pay a premium of so much for added knots that you produce.

Q. You have had experience upon both sides of the question. Do not you also produce a scramble before the Department in the way of tests, in the way of exerting influences for the purpose of getting contracts, when you provide for the general purchase of boats of anybody that comes along that can equal a standard rather than giving a contract to one that passes the best possible technical test? Isn't that worthy of being taken into consideration?—A. But are you not getting off——

Q. I asked you.—A. Well, I do not agree with you.

By Mr. OLMSTED:

Q. I was called from the room a moment at the time of the beginning of your examination. I returned just in time, I thought, to hear you say you were a lawyer.—A. I was a lawyer.

Q. Are you a lawyer and engineer?—A. By association, not by education, as an academic matter.

Q. You have taken no degree in engineering?—A. No, sir.

Q. In what scientific or other school, if any, did you graduate?—A. I might state that I began working for the Government in 1888 at the shipyards in Baltimore, where they were building one of the gunboats for the service. I was there eighteen months, in daily contact with construction work.

Q. In what capacity were you there?—A. I was there in a clerical and in a technical capacity.

Q. What was your title?—A. Copyist draftsman.

Q. And you were there eighteen months?—A. Eighteen months. I went from there to the Navy Department, where I remained until 1902.

Q. In what capacity?—A. In the various phases of drafting. I went from copyist draftsman up to draftsman.

Q. You were in the naval service?—A. Yes, sir.

Q. A clerk in it?—A. Not a clerk.

Q. In what class?—A. In the Bureau of Construction and Repair.

Q. What were you called in the naval service? Isn't it divided into certain classes?—A. That I do not know. I only know that I was employed as a draftsman there. I do not know what classification I had. I was employed in the Bureau of Construction, where they designed the vessels.

Q. What compensation did you receive there?—A. Six dollars and eight cents a day finally before I left.

Q. Do you claim that that makes you an engineer?—A. No; I do not. After I left there I went subsequently with the Lake Torpedo Boat Company. I was with them when they were building the submarine at Newport News. I went abroad with them; have been with them on the other side.

Q. In what capacity were you engaged by them at Newport News?—A. In connection with the actual construction of the work, familiarizing myself with the entire working and building of the boat.

Q. What was the name of the position that you held there?—A. I do not know of any given name. I was simply employed.

Q. To what particular thing were you put to do? Just to see how others did a thing?—A. To see how the work was put together, and how the boat was operated, and so forth, familiarizing myself.

Q. How would that be of any benefit to the Lake Company?—A. You will have to have the Lake Company answer that.

Q. I would like your answer first.—A. I can not answer that. They felt that they were justified.

Q. What did you do, for instance, besides standing around and looking on?—A. I was incidentally to supervise the work of putting together some of the instruments on the boat.

Q. What instruments?—A. The sighting instruments, for one.

Q. Had you ever had any experience in sighting instruments?—A. No. They were essentially two.

Q. They just employed a greenhorn to adjust and manage the sighting instruments?—A. I was associated with another man.

Q. Were you in partnership with him?—A. No, sir; not in that work. He was the inventor.

Q. What did you do about the sighting instruments?—A. I learned; I followed the process of construction.

Q. You observed them; and what did you do yourself?—A. Do you mean with regard to work?

Q. Yes?—A. I did not do anything except to adjust the instrument at times, and take them apart.

Q. About what you did was to look on and learn all you could?—A. Yes.

Q. What pay did you get for that?—A. I received approximately $5,000 a year.

Q. You jumped from $6 a day in the Navy Department to $5,000 a year?—A. No, I was out of the Navy Department for very near two years before I went with the Lake company.

Q. How did you come to leave the Navy Department?—A. I resigned.

Q. Why?—A. I grew tired of the life there; I thought I could do better in civil life.

Q. What did you do in civil life immediately following your resignaton?—A. I took up writing on naval topics, on doing drawing and designing work.

Q. Who paid you for that work?—A. The people whom I did it for.

Q. For whom did you do it?—A. I did it for magazines and for papers.

Q. Did the magazines pay you?—A. Yes, sir.

Q. Did the papers pay you?—A. Yes, sir.

Q. Who else paid you?—A. No one else.

Q. How did you get the employment?—A. I wrote the stuff and sent it to them.

Q. And they published the articles and paid for them?—A. Yes, sir.

Q. While in the Department had you had anything to do with submarines in any way?—A. In a measure I was simply following the subject generally.

Q. Had you had any conversation with the officers of any submarine company?—A. I was in the Bureau of Construction and Repair when the first submarine boat was contracted for.

Q. That does not answer the question.—A. And at that time Mr. John C. Holland was a frequent visitor at the Bureau.

Q. Did you have any conversation with him on the subject?—A. I used to talk with Mr. Holland, yes, sir.

Q. Did you do anything for Mr. Holland?—A. No, sir.

Q. Were you employed in any way by Mr. Holland?—A. No. The only thing I ever did for Mr. Holland, if you can call it doing it for Mr. Holland, was when the contract was finally awarded, Harper's Weekly asked me to prepare a picture and description of his boat. I wrote Mr. Holland, or rather he came to the Department, and I asked him if he had any information he could give me. He said yes, he had. He gave me a pamphlet that was then in print, detailing the various characteristics of his boat. He also sent me some plans of his vessel, from which I worked in making my illustration for the paper.

Q. You made some illustrations and wrote an article?—A. Yes, sir.

Q. Rather laudatory of the Holland boat?—A. It was a description of the Holland boat.

Q. Did it condemn it?—A. No, sir.

Q. Didn't it rather commend it?—A. It did not do anything but describe it.

Q. It described it as a practical thing?—A. Yes.

Q. What was the date of the paper?—A. I could not give you the exact date. It was 1895, in the early part of the year.

Q. How much did Mr. Holland pay you for that?—A. He did not pay me anything.

Q. You just did it for love?—A. No; Harper's Weekly paid me.

Q. You put it in to please Mr. Holland?—A. I put it in because Harper's Weekly asked me to prepare it for them.

Q. You were then in the Department?—A. I was then in the Department.

Q. What sort of work did you do in the journals while you were in the Department?—A. Off and on I wrote popular naval topics, or rather popularized naval topics.

Q. Did you in each article describe some particular company's form of boat, submarine or torpedo, or subsurface, or anything of the kind?—A. No. Generally, as the appropriations were made for vessels, and the designs were prepared, there was a public interest in the type of boat. I would draw a picture, showing the boat, and write a description. Prior to that I did that work for the Chief Constructor, who gave it to the press. He gave it to them.

Q. That was in 1895—you were still in the Department?—A. Yes, sir.

Q. When did you write another article? When was the next article on submarine boats of any kind?—A. To the best of my recollection, I do not think there was anything on submarine boats until somewhere along about 1908. At that time Mr. Lake had built his small boat, the *Argonaut*, in Baltimore, andI went over to Baltimore on one occasion; it was during the Christmas holidays——

Q. How did you happen to go over to Baltimore?—A. I married a Baltimorean, and we went home for Christmas. And I knew Mr. Lake's boat was at the Columbian Iron Works, where I had been for eighteen months——

Q. How did you know it was there?—A. By the public press.

Q. Go ahead.—A. I went down there and saw his boat. Then I went up to his office and asked him for details. He gave me some further description.

Q. Which Lake was that?—A. That was Mr. Simon Lake. And when war was about to be declared between the States and Spain I wrote an article, describing how that boat might be used for destroying mines and entering the harbor of Habana. I described the general method of mining and countermining. I then said, here is a boat that probably provides a new method of accomplishing the same end.

Q. You say 1898, and now you say 1908, and you speak of the Spanish war.—A. 1898 was the Spanish war.

Q. Then you wrote describing how the Lake boat would be useful in Habana harbor?—A. Yes, sir.

Q. Did you say anything in that article about the Holland boat?—A. No; because the Holland boat had not that feature.

Q. You did not say anything about the Electric Boat Company?—A. No; I described the Lake boat.

Q. In that article you made the Lake boat out a very good boat?—A. Yes, sir.

Q. Where was it published?—A. It was published in about fifteen different papers.

Q. Do you remember what they were?—A. Yes. I can not tell you the whole of them, but some of them. It was published in the Boston Herald, in the Philadelphia Press, I think. It was published in the Detroit Free Press, in the New Orleans Times-Democrat, the St. Louis Globe-Democrat, the Cincinnati Enquirer, and others.

Q. How did it get in those papers?—A. I sent it.

Q. Did you represent those papers in any way?—A. No other way than in contributing casual matter, as anybody can.

Q. I do not know whether anybody can or not. I suppose anybody can send it to them. Were you paid for it?—A. I was paid by the papers.

Q. By each of those papers?—A. Yes, sir.

Q. Simply for those articles?—A. Simply for those articles.

Q. Do you remember how much you got for them?—A. No; they usually pay column rates. Some of them did not pay it; it was Sunday matter, Sunday magazine matter.

Q. You did not give them to the regular correspondents or representatives of those papers?—A. No, sir.

Q. You just forwarded them?—A. Yes, sir.

Q. Did each and every paper pay you?—A. All that used it; yes, sir.

Q. What did Mr. Lake pay you?—A. Nothing.

Q. You did that work gratis so far as he was concerned?—A. Gratis so far as he was concerned.

Q. What did the Lake Torpedo Boat Company pay you?—A. Nothing.

Q. Isn't it a fact that you told me Mr. Holland did not pay you anything for the article?—A. Nothing.

Q. Did his boat company pay you anything?—A. No, sir; nothing.

Q. When was the next article on the subject of submarine boats?—A. In 1900, if I remember right. Mr. Lake had cut his boat in two, the *Argonaut*, and lengthened her, modified her very considerably, and was preparing the boat for commercial enterprise, for doing wrecking work, going alongside of a wreck and sinking the boat and working under her, or going where the wreck was and sinking to the bottom alongside of her and operating there. I described that and its commercial uses.

Q. Did you in that article say any good thing about the Holland boat?—A. The Holland boat had no relation to this boat.

Q. You did not say anything about the Holland boat?—A. No.

Q. Who printed that article?—A. I sent it pretty generally to the same papers that I sent the others.

Q. Did anyone that used it pay you?—A. Yes, all.

Q. Did Mr. Lake pay you anything?—A. No, sir; never.

Q. In connection with it?—A. No, sir.

Q. Did his boat company?—A. No, sir.

Q. When was the next article?—A. The next article, so far as I can remember, was somewhere along about 1902, when the Lake boat was ready to be launched. I described the boat then.

Q. What was the name of that boat?—A. The *Protector*.

Q. That was an article rather commendatory of that boat?—A. Descriptive, yes.

Q. It did not say anything unkind of it?—A. No, sir; naturally not.

Q. Did it say anything at all about any other boat or the boat of any other company?—A. No.

Q. It made no mention of any other boat?—A. No.

Q. Did it make any mention of any Congressional action upon the subject?—A. No, sir.

Q. In what papers was that published?—A. That was published generally.

Q. You sent it to the papers yourself?—A. Yes, sir.

Q. When was the next article on submarines?—A. The next article on submarines was written after the *Protector* was running.

Q. About when would that be?—A. That was in 1903.

Q. That was on the subject of the *Protector*?—A. Yes, sir.

Q. Descriptive of it——A. The maneuvers and general working.

Q. Rather a commendatory article?—A. Yes, sir.

Q. Did you in that article mention any other submarine boat?—A. No, sir; I did not.

Q. Where was that printed?—A. Printed at various places; I could not tell you. I went through the same process of selling it to the papers.

Q. You sent it to every paper you thought would take it?—A. Yes, sir.

Q. Those that did take it paid you for it?—A. Yes, sir.

Q. Did anybody else pay you anything?—A. No, sir.

Q. Neither Mr. Lake nor his company nor anybody else?—A. No, sir.

Q. Except the newspapers?—A. That is all.

Q. When was the next article on submarines?—A. The next article, if I remember right, was in the London Engineer. That was some time in the summer of 1903 or 1904.

Q. What was the subject of that article?—A. Just a description and pictures of the Lake boat.

Q. Rather implying that that was the best submarine boat yet developed?—A. No, sir; it was describing a new type. That was the attitude of the article.

Q. You did not take the attitude of describing any other boat as at all in the same class?—A. No, sir.

Q. Who paid for that article?—A. The Engineer.

Q. Anyone else?—A. No, sir.

Q. Who suggested that you write it for the Engineer?—A. I suggested it myself. I had been writing for them a number of years.

Q. Did you talk with anybody else about it?—A. No, sir.

Q. How did you get the facts and pictures for that article?—A. From Mr. Lake.

Q. When was the next article?—A. In November or December, 1906.

Q. What was that?—A. That was the article on submarine boats published in the Journal of the United States Artillery.

Q. What was the subject of that article?—A. It was called "The limitations of the diving type."

Q. Did it have reference to any particular boat?—A. The English boat and the boat of the United States service and the Dutch service.

Q. Both the Lake and the Holland type?—A No; because the Lake boat is not a diving boat.

Q. It designates the Holland boat?—A. It designates the so-called Holland boat.

Q. Where was that published?—A. Published in the Journal of the United States Artillery.

Q. What did you say about the Holland type of boat in that article?—A. I described the manner in which the boat had worked in the United States service, and the manner in which the British boats of the same diving principle worked in the British service, and I also described how the diving boats of the same sort had worked in the Dutch service.

Q. Did you say whether the American boats or the English boats were superior?—A. I took up the question of the English boat from the standard of the loss of the "A8."

Q. Did you compare the English boat with the American boat?—A. No, except so far as they were of the same type, the diving type.

Q. To which boat did you award the superiority?—A. I did not award superiority to any of them, because I do not believe in the diving type.

Q. Then your article was rather against the diving type of boat?—A. Yes, sir.

Q. The Lake boat does not dive?—A. It does not.

Q. Did you mention the Lake boat at all in your article?—A. I did not.

Q. You merely attacked the desirability of the diving type?—A. Of the diving principle.

Q. You attacked the Holland boat?—A. Yes, inferentially.

Q. Did Mr. Holland pay you anything for that article?—A. No.

Q. Did anybody else?—A. No.

Q. Did any papers pay you?—A. No; they do not pay for contributions.

Q. You just wrote that for fun?—A. I wrote it for the sake of the art, as I conceived it.

Q. Well, that is a very commendable motive. When was the next article?—A. The next was a reprint of that.

Q. Where was that published?—A. It was reprinted by the Journal of the Royal Artillery in England.

Q. When?—A. I think in July, 1907.

Q. At whose suggestion?—A. They requested permission to reproduce it.

Q. From whom did they request it?—A. From me.

Q. You gave them permission?—A. No, sir. They said they had written to their own naval authorities and asked them to prepare them an article, and they said that the question was so surrounded by secrecy that they could not give them any information, so they simply reproduced it.

Q. Were you at that time in the service of the Department?—A. No. I was in the employ of the Lake Torpedo Boat Company.

Q. Then the article was rather in the interest of the Lake Torpedo Boat Company?—A. It had nothing whatever to do with my association with the company. It was written without the company's knowledge.

Q. Still it did not hurt the Lake Torpedo Boat Company, did it?—A. I do not know that it did.

Q. You were a member of the Lake Torpedo Boat Company at that time?—A. I was an employee.

Q. Then you did not send it entirely without the knowledge of some one in connection with the Lake Torpedo Boat Company?—A. Yes; I had permission from the Lake people when I went with them to write on any subject that I chose, independently of my office labor.

Q. Even to the extent of pitching into their own boats?—A. If I felt justified, yes.

Q. But you would not have felt justified while you were in their employ?—A. I would not have done it, probably.

Q. In any of these articles did you say anything about Congressional action with reference to submarines?—A. No, sir.

Q. When was the next article?—A. You have the others.

Q. These are the ones. You left the Department, to be exact, when?—A. September, 1902.

Q. When did you go into the employ of the Lake Company?—A. In 1903, intermittently.

Q. Upon what date in 1903?—A. When the Lake boat was ready for running on the surface, not yet ready for submerged runs, I was employed by them in January of that year.

Q. January, 1903?—A. Yes; to go and familiarize myself with the boat preparatory to taking up a permanent association with them.

Q. And you had left the Department, when?—A. In 1902.

Q. In September?—A. Yes, sir.

Q. You were out of the Department, then, some two or three months before you went with the Lake Company?—A. Yes, sir.

Q. What pay did you get from the Lake Company?—A. I received $75 a week and my expenses.

Q. When was that arrangement made?—A. In January.

Q. Was it a written or oral arrangement?—A. Verbal.

Q. When did you first have a conversation with any of the Lake people about entering into their employment?—A. I had no conversation.

Q. Correspondence?—A. No, sir. I had seen Mr. Lake a good many times. Mr. Lake, in 1902, came into the Department when I was there, and he walked into my office one day with a little roll of paper under his arm, and he said, "Is this Mr. Skerrett?" I said, "It is." He said, "You don't remember me, do you?" I said, "Your face is familiar, but I do not recollect your name." He said, "I am Simon Lake." I asked Mr. Lake to be seated, and I asked him further what interested him in the Department. He said he had come to the Department hoping, probably, to arouse an interest in his submarine; that he had built the *Argonaut*, and had worked hard and had learned a good deal from the practical performance of the boat, and he was now intent upon embarking upon the construction of boats for the naval service. I asked him what I could do for him, and he said he was a perfect stranger in the Department and knew no one. I said, "I don't think I can help you out very much other than simply introducing you," and I took him over to the Department and introduced him. Off and on, following that he came——

Q. Introduced him to whom?—A. I introduced him to the engineering chief, Melville, and left him there.

Q. Anybody else?—A. No one else.

Q. How did Mr. Lake know you?—A. In 1898 or 1897, on Christmas eve of 1907, I went over to Baltimore to see his boat, which he then had at the Columbian Iron Works, the *Argonaut*. I went over his boat and went up to his office and talked with Mr. Lake about the uses to which he could put that vessel.

Q. Did you go there at his suggestion or invitation?—A. It was at my own. As I said, my wife was a Baltimorean, and I went over there to spend Christmas with her family. That is when I met Mr. Lake. I did not see Mr. Lake again until he walked into my office in 1901.

Q. Had you any correspondence with him in the meantime?—A. In the meantime, when I learned that he had taken that boat and cut it in two and extended and lengthened it and modified it with the intention of using it as a commercial wrecking plant, I asked him for details of the boat, and he sent them to me.

Q. And you used that material in getting up your article?—A. Yes, sir.

Q. And that was in 1901?—A. That was in 1901. Then in 1901 he came to the Department. I had not seen him from 1898 until 1901, when he walked into my office.

Q. When did you next see him?—A. I saw him off and on a number of times, because after that he prepared plans and submitted them to the Department. He also brought to Washington a model of his boat.

Q. Did you introduce him to any other people in the Department from time to time?—A. The only person I ever introduced him to was the engineering chief, and that put him in touch with the Board of Construction, and his dealings were between himself and them after that.

Q. When he did come to the Department he did converse with you, and was there anything said at any of those conversations about your leaving the service of the Government?—A. No, sir.

Q. Do you wish to be understood as saying that at the time when you left the Department in September, 1902, there had never been any communication or correspondence or conversation between you and any officer of the Lake Boat Company with reference to you going into their service?—A. I can say that; yes, sir.

Q. And you do say it?—A. Yes, sir.

Q. In what way was the subject brought up between you after you had left the Department?—A. Mr. Lake came down to the Navy Department, I am under the impression, some time early in January, when his boat was about ready for running, to negotiate or arrange for having a board come to Bridgeport and see the boat operate. Then it was that I came to see him.

Q. Then he employed you at $75 a week and expenses to go up and see how they did it?—A. Yes; to familiarize myself with the boat.

Q. Your services under that employment were about as you have stated. How long did you continue?—A. The boat was not able to run submerged at that time, and she had met with an accident in backing up against her own rudder, which damaged one of her screws, and the work was not continued on it—that is, the active running of the boat—until some weeks later, and I think it was about three weeks that I was there, and then I returned to Washington and took up my usual work.

Q. What was your usual work? Do you mean writing articles?—A. Yes, sir.

Q. I think you have stated that you wrote some articles beside articles on submarines.—A. I wrote on all naval topics; anything that came up that was of interest.

Q. How long did you remain in Washington—it is your home?—A. It was my home.

Q. Were you still in the employ of the Lake Company?—A. No, sir; in June of 1903 the boat had then been fitted with her batteries and was in running condition, and I went to the company again and was with them.

Q. Were not you there while it was being fitted up, to learn how it was done?—A. Not then.

Q. You went back in June?—A. I went back in June.

Q. Under what contract or arrangement?—A. The same verbal arrangement.

Q. Seventy-five dollars a week and your expenses?—A. Yes, sir.

Q. Then how long did you remain with them under that contract?—A. I was with them until January, 1904.

Q. Prior to resuming the services you have mentioned?—A. Then I was also employed in connection with the designing work; doing some designing work for them.

Q. What did you design?—A. I helped them on the plans of the other boat.

Q. What compensation did you receive for that?—A. Just the same compensation.

Q. Still $75 a week until January, 1904. What happened then?—A. Then I left them and had nothing more to do with them until November, 1904, when I went permanently with them.

Q. Why did you leave them in January?—A. The boat was not at that time performing as Mr. Lake had imagined she would. The trouble was she had been fitted with propellers that never properly made use of the power within the boat. And in order to put new screws on the vessel it was necessary to seriously modify some of the arrangements of the after part of the boat. To do that she had to be taken to Fall River and overhauled—docked. There was no active work in connection with that.

Q. I simply want to get why you left.—A. I left them because the boat was not running. Because there was no active work.

Q. Nothing for you to do?—A. No, sir.

Q. Then you went back in November?—A. Yes; when they were building the boats at Newport News I went with them permanently with the understanding that I should familiarize myself with the operation of the boats, their construction, and be able to run them and go with them abroad.

Q. What arrangement did you make with them when you went back in November, 1904?—A. The arrangement was that I should receive in effect $5,000 a year.

Q. Was that arrangement in writing?—A. It was a verbal contract, which was to have been reduced to writing, but it never was.

Q. Payable monthly or semiannually or quarterly?—A. Monthly.

Q. You say "in effect." What do you mean by "in effect?"—A. Why, the basis of $75 a week was used as the basis of salary, plus the average expenses. That would have amounted to a trifle over

$5,000 a year. Mr. Lake said there would be many times when I would be traveling at their expense and living at their expense, so it don't amount to just exactly that. It came to thirty-nine hundred and some odd dollars a year, as a specific salary, with the understanding that I should probably be moved enough during the year to bring up the difference to $5,000.

Q. You were to be paid $5,000?—A. In effect; yes.

Q. In cash?—A. It amounted to that, but that was not specifically the amount agreed upon.

Q. Do they pay you $3,900 a year?—A. When I was traveling; yes, sir.

Q. When you traveled your expenses were charged to the company?—A. Yes, sir.

Q. What did the company pay you in addition to that? What did you get each month?—A. The monthly salary was, I think, $393.

A. Then, when you traveled for them you sent in your expenses?—A. Yes, sir.

Q. What were you to do for them?—A. I was to probably run the boats, to have charge——

Q. You were not an engineer?—A. I had familiarized myself with the boats.

Q. Had you ever run a boat?—A. I have run those boats; yes.

Q. Have you a license to run boats?—A. No; I am not licensed.

Q. Are you a licensed engineer?—A. No.

Q. Where had you run a boat?—A. I had to do with the running of that boat, the control of it; that is, the navigation control—submerging the boat by the use of the mechanism that was supplied for that purpose.

Q. Did you ever go down in one of them?—A. Yes; many times.

Q. Did you go down in one of the boats in which our friend Roosevelt—well, Roosevelt didn't go down in one of your boats.—A. No, sir.

Q. Did you help submerge Representative Lilley?—A. I have never met Representative Lilley. I never had seen him before I came into this room to-day.

Q. You were then to get $3,900 a year and expenses for doing that service?—A. For probably supervising the construction of the boats, for running the boats, familiarizing myself with the working of the vessels, to be in a position to prepare for the company its arguments in favor of its own type for official dealings, to meet foreign officers and explain the various manners in which the boat was supposed to be useful.

Q. Did you ever appear here before the Naval Department, of which you had been a member, to make any argument in behalf of the Lake torpedo boat?—A. No, sir. I went abroad.

Q. Was there an understanding that you were to go abroad for them?—A. That is what I did.

Q. Where did you go?—A. I went to Russia, Germany, England, Holland.

Q. Did you go in the employ of the Lake Boat Company itself, or some of its auxiliary companies?—A. No; the Lake Torpedo Boat Company itself.

Q. Did you ever meet Mr. Flint over there?—A. Yes, sir.

Q. Was he also in the employ of the company?—A. I don't know.

Q. What was he doing?—A. I do not know what Mr. Flint was doing. I met him in the company's office.

Q. Did you talk with him on the subject of submarines?—A. Yes, sir.

Q. He seemed somewhat familiar with the subject?—A. Yes, sir; he seemed to be. In fact, I provided the information for Mr. Flint.

Q. You know he was in the employ of the company?—A. I do not know what their relations were.

Q. Do you think he was tramping around there on submarine business just for fun?—A. No; I knew he was not there for fun. Most people do not go abroad in a business capacity for fun.

Q. He was there in a business capacity?—A. Yes; he had dealings with several foreign governments; I knew that.

Q. In the interest of the Lake Torpedo Boat Company?—A. Yes; I imagine so.

Q. You are very certain of it?—A. I am pretty certain of it.

Q. Do you know Mr. Hugh Grant Brown?—A. No, sir.

Q. You never met him?—A. No, sir.

Q. You do not know him?—A. No, sir.

Q. Never heard of him?—A. In a paper the other day; yes.

Q. Did you ever hear of him before that?—A. No, sir.

Q. The Harper's Weekly article was written before that?—A. Well, you can approximate it. This is the 6th of April and that was the 12th of March that it was submitted; it was probably two or three weeks before the Scientific American article.

Q. That would go back into February some time?—A. Some time in February.

Q. About the middle of February?—A. I do not remember exactly; probably about the middle of February.

Q. The 20th?—A. I am only guessing at it.

Q. Guess as well as you can.—A. Well, call it the 20th.

Q. "The partisans of the submarine type of naval vessels have precipitated a pretty scandal in Congress by dropping two of the four battle ships recommended by the Navy Department, and substituting in their stead a number of under-water craft." Where did you get that information?—A. The Army and Navy Register and the daily papers.

Q. What is the date of the Army and Navy Register?—A. I don't know, but it was prior to the preparation of the article.

Q. The appropriation in the navy appropriation bill of 1908; did you ever see that in a daily paper?—A. I have seen it in some of the daily papers; I do not recollect where.

Q. You do not recollect where?—A. No, sir.

Q. Do you recall what papers?—A. No, sir.

Q. Do you say you had ever seen it before you wrote this article in the Harper's?—A. I had not seen that appropriation before I wrote that: no. I saw that before I wrote the article for the Scientific American.

Q. How did you get the information if it never had appeared in any newspaper up to that time and you had not seen it; how did you know what it contained?—A. I only knew from the daily press.

The daily press stated the fact that Congress intended to provide for eight submarines and two battle ships instead of four submarines.

Q. What paper contained that before you wrote this article?—A. I think I saw it—I saw it in the Army and Navy Register.

Q. Anywhere else?—A. I think also in the New York Herald.

Q. The Army and Navy Register come out on what date?—A. I think it goes to print on Friday and is distributed on Saturday.

Q. It comes out weekly?—A. It comes out weekly.

Q. If you did not see it there or in the newspapers you must have gotten the information somewhere else.—A. I saw it there; I am sure I saw it there.

Q. Was the provision written in full as it is in the naval appropriation bill?—A. That is my recollection.

Q. Do you know when the naval appropriation bill was reported to the House?—A. No, sir; I do not.

Q. You say in your article in the Scientific American "The present appropriation bill, as reported by the Committee on Naval Affairs of the House of Representatives, is as follows," then you purport to give it. Where did you get that?—A. As I say, I think I got it from the New York Herald; I won't be certain.

Q. If it had never been published in any daily paper when you wrote this, then you are mistaken, aren't you?—A. Yes; I am mistaken if it has not.

Q. You state, "The present appropriation bill as reported by the Committee on Naval Affairs"—where did you get that information, that it had been reported from the Committee on Naval Affairs?—A. In the press.

Q. What press?—A. The Army and Navy Register.

Q. Did it give it in full?—A. I don't remember whether it gave it in full or not, but it gives the fact that the bill had been reported and that was the substance of it. The New York Herald, I can remember——

Q. You purport here to give it verbatim. Where did you get that?—A. I don't know whether I got that in the Navy Department—I came down here for Harper's Weekly and prior to the writing of the article for the Scientific American, and discussed the matter with some of the people in the Department, but I am not certain. I got some information then, but I am not certain whether——

Q. You got some information from whom?—A. The various officers, talking.

Q. What officials?—A. Why I talked with Captain Marsh, I talked with Captain Rogers, of the——

Q. Who else did you talk with?—A. I really can not tell you.

Q. You can remember some outside of the Navy Department?—A. No one else.

Q. Nobody?—A. Nobody.

Q. Nobody not connected with the Navy Department?—A. No.

Q. Let me give you something that may refresh your memory. If I tell you that it is the fact, and I do say to you it is, that the navy appropriation was not reported to the House until the day before yesterday, will that enable you to tell where you got a copy of that appropriation?—A. No; that would not.

Q. Did you get it from somebody connected with some torpedo-boat company?—A. No, sir; I can not recall that.

Q. Don't you recall the fact of having some conversation with somebody connected with some torpedo-boat company?—A. The only person that I have talked to that was identified with the Lake Torpedo Boat Company was Mr. Whitney, Mr. Fred B. Whitney. Mr. Whitney and myself have some common interests in some patents, ordnance patents, and I have been down here sometimes to discuss matters with him as to those. On the last time I was down here I asked him to get some matter in regard to those patents, and in regard to the progress of work on ships, and some other matters, and he gave me the stuff in an envelope.

Q. When was that?—A. That was early in March.

Q. In that envelope wasn't there a copy of this appropriation in the naval bill?—A. Now that you suggest it, perhaps there was.

Q. I thought if I brought to your mind the fact that the bill had not been reported to Congress at the time the article was written—who is Mr. Whitney?—A. So far as I know Mr. Whitney is a lawyer, associated with me in these patents.

Q. You stated he was connected with some torpedo-boat company.—A. He was connected with the Lake Torpedo Boat Company and resigned. I do not know whether he is identified with them now or not.

Q. Was he ever connected with the Naval Committee in any way that you know of?—A. I think he was clerk of the Naval Committee.

Q. When?—A. That I can not answer. I know he was in 1903. I don't know whether he is now or not. I do not think he is.

Q. Then it was, as a matter of fact, on account of some copy that he furnished you that you printed this?—A. It may be quite likely.

Q. It is most probable, isn't it?—A. It is most probable.

Q. If the bill itself had not been reported—and I do not think it appears in the newspaper of which you spoke at all; I do not see how it could if it had not been made public.—A. That, probably, is where I got it. I had forgotten that, because I have so much copy matter.

Q. Do you know where Mr. Whitney got it?—A. No, sir.

Q. Do you know where Mr. Whitney lives?—A. Yes, sir.

Q. Does he live in Washington?—A. He lives in Washington at the present. I believe.

Q. You stated this article in the Scientific American was written in the execution of the idea, as I get your words—is that right——A. That it was better for the development that the whole thing should be left open to open competition.

Q. Whose idea was that?—A. My own.

Q. And incidentally of the Lake Torpedo Boat Company?—A. No, sir; I have had no relation with the Lake Torpedo Boat Company since I resigned.

Q. When did you resign?—A. In November.

Q. Why did you resign?—A. I resigned because I preferred to come home; because, as I remarked, I did not think that the employment offered me much for the future.

Q. When you came home what did you do?—A. When I came home I took an office in New York, and there I am.

Q. Your office is there at 15 William street?—A. Yes, sir.

Q. Who pays the rent of the office?—A. I pay the rent.

Q. To whom do you charge it?—A. To myself.

Q. And then to whom?—A. To nobody else.

Q. Has any torpedo-boat company an office in that building?—A. None that I know of.

Q. Or any manufacturing company?—A. It is an office building, a large office building. I really do not know who the people are in there.

Q. You have stated that the Harper Company paid you for that article?—A. Yes, sir.

Q. And that no torpedo-boat company paid you anything?—A. No, sir.

Q. Who paid you for the article in the Scientific American?—A. Nobody, because they do not pay you for letters contributed for the supplement.

Q. What is the fun of a busy man contributing to it?—A. The mere advancement of knowledge.

Q. For the advancement of knowledge?—A. Yes, sir.

Q. Do you spend much of your time gratis in the advancement of knowledge?—A. I do not spend much of my time at it; no, sir.

Q. You spent considerable writing this long article?—A. It did not take very long.

Q. Didn't you expect to get something out of it?—A. No, sir; I did not.

Q. Has the Lake Torpedo Boat Company paid you anything since you left their service at all?—A. No, sir.

Q. I think you stated a while ago that they employed you intermittently?—A. No, sir; I did not. I said in 1903, and some other, yes——

Q. I thought you said they had consulted you since.—A. No, no; I said the Denver people had.

Q. I am very sure that the record will show that the Lake Company had consulted you.—A. I think not, sir; if it does, it is an error.

Q. I ask you now, so that we may have the record straight, has or has not the Lake Torpedo Boat Company, or any person or officer otherwise connected with it, consulted you with reference to the naval conditions?—A. No, sir.

Q. Have you had any conversation with them at all?—A. None.

Q. Where did you get the photographs from which you made the cuts for these articles?—A. I wrote a letter to Mr. Lake and asked him if he would kindly send me a picture of the Russian boats.

Q. Which Mr. Lake?—A. Mr. Simon Lake.

Q. Then, you did have some conversation or communication with him?—A. Yes; to that extent. I thought you meant a business proposition.

Q. I don't care whether it is business or not; you did have a communication with him?—A. Yes; I wrote him and asked him for that picture.

Q. That was Mr. Simon Lake?—A. Yes, sir.

Q. Did you tell him what you wanted of it?—A. I simply said I would like this picture for publication.

Q. Have you a copy of that letter?—A. No, sir; I do not think I have. If I have, I will look it up when I get back home and send it to you.

Q. Have you no arrangement with them now for compensation whatever?—A. No, sir.

Q. No understanding that you would be consulted from time to time?—A. No, sir.

Q. You say that you are absolutely——A. Free of them.

Q. Free of them in every way?—A. Yes.

Q. When did you last see any of the officers of the Lake Company?—A. The time that Mr. Lake's wife and children arrived from abroad.

Q. Mrs. Simon Lake?—A. Yes; Mr. Lake and his wife called to see Mrs. Skerrett and myself.

Q. Where?—A. Where I live in New York.

Q. Where did you get all the rest of the pictures and cuts for these other pictures—Harper's Weekly and Scientific American?—A. I am not certain which of the pictures are reproduced. If I may see them [examining pictures].

Q. How many pictures did Mr. Lake send you?—A. He sent me one.

Q. You have several pictures in there?—A. Yes, sir.

Q. From whom did you get the others?—A. This picture of the *Holland* boat was bought directly by Harper's Weekly from the photographers in New York that made it. The picture here, which is a reproduction of the drawing I once made, I had in my own possession. The picture here of the B 10 I bought myself in England. The picture of the *Emeraude* came from the office of the Naval Intelligencer, post card.

Q. Did you not tell Mr. Lake what you wanted the pictures for?—A. I simply said, "Have you a picture showing your largest boats built in Russia?"

Q. Did you not state what you wanted that for?—A. I simply said for publication.

Q. That is the simple thing you did not give me at first.—A. I thought I did.

Q. I do not think you did; it took considerable twisting to get it.—A. I had no intention to disguise the fact.

Q. I had no fault to find. Then Mr. Lake did know that you were getting it for some publication?—A. Yes, sir.

Q. Did he in his reply suggest there would be any impropriety in the publication?—A. He simply sent me the picture.

Q. Did he send you a letter with it?—A. No, sir.

Q. Did you get any pictures from anybody else?—A. I had the other pictures.

Q. How did Mr. Whitney come to give you a copy of these provisions in the Navy bill?—A. I do not know, sir.

Q. What else was in that envelope?—A. I think I described all that was in there.

Q. You told him you wanted to find out what the Naval Committee had done?—A. Naturally discussed submarines.

Q. You naturally told him what you came to find out; what the Naval Committee had done and was doing?—A. I probably did.

Q. He got it for you; that is how you got it?—A. Probably; yes, sir.

Q. In this Scientific American article you say, "It was the manifest spirit of unfairness to the American inventor in the foregoing Congressional provision which provoked the Hon. George L. Lilley, of Connecticut, to demand the present investigation." How did you know that?—A. The papers announced it.

Q. What papers?—A. New York Herald, if I recollect.

Q. Do you remember seeing any such article in it; do you remember seeing any such article; can you specify?—A. No; except the simple fact that the legislation——

Q. Did you have it from any source that Mr. Lilley had been provoked in that way?—A. No.

Q. With whom did you first talk about Mr. Lilley's resolution on this investigation?—A. I came down here to Washington in order to get this picture of the *Emeraude*. I had no satisfactory pictures of the French boat nor the German boat.

Q. Could you not write for it?—A. I might have written for it. I considered it was perhaps wiser to pick out the picture to show the type.

Q. From whom did you get it?—A. From the office of the Naval Intelligencer.

Q. When was that?—A. Prior to that article.

Q. What did you hear then about this investigation?—A. I did not hear anything from the office of the Naval Intelligencer, but I heard the general discussion of the question of the substitution of submarines for battle ships.

Q. I asked you when you first heard about Mr. Lilley's resolution upon this investigation?—A. I heard prior to that in the papers.

Q. When did you first hear anything about it—not read, but hear?—A. Well, I did not hear anything prior to reading it.

Q. Have you ever heard anybody mention it?—A. Yes; I have heard people in New York mention it.

Q. Who is the first person that mentioned it to you?—A. The first person that asked me about it was my own wife, because she had read the morning paper, and I did not, and when I got home in the evening she asked me if I had heard this fact.

Q. That is, from Washington?—A. No; from my office.

Q. Had you heard before that that one was to be offered?—A. No, sir; knew nothing about it.

Q. First you learned of it was from the newspapers?—A. The public press; yes.

Q. How did you come to spend that time and money in coming down here to Washington to get a picture or an article that you were not paid for?—A. I was paid for that, sir.

Q. How much?—A. Seventy-five dollars.

Q. How much did it cost you to come over here?—A. Ten dollars—the round trip and the sleeper two ways.

Q. How long did you stay here?—A. I stayed here the day; got here in the morning, took a sleeper from New York, having left that evening.

Q. How long did it take you to write that article?—A. That article took the better part of a day.

Q. I can readily believe that. Now, you state in here that in 1895, speaking of the *Plunger*, "Charles E. Creecy testified," and so forth. How did you know that?—A. From the record of the hearings before the House Naval Committee.

Q. Where did you get them?—A. I have them.

Q. Where did you get them?—A. That is a public document.

Q. Where did you get it?—A. I got it in the committee room.

Q. When?—A. In 1903—1902; I got it after the hearings.

Q. 1902. Were you attending the hearings of the committee?—A. I was not. His testimony was 1901, I think, and in 1902 I got what other hearings there had been previously and all of that season.

Q. Here in this article, "that the Holland interests secured the passage of a bill," where did you learn and what do you mean by that?—A. Public notice, notoriety, common knowledge.

Q. I never heard of it, it was not common to me.—A. Well, there is some correspondence which was printed and became a public document.

Q. That the Holland interests secured the passage of a bill?—A. There are letters in which the Holland Company have various reasons stated what the boats have done, and seeking appropriations.

Q. There are letters from other people seeking appropriations, too?—A. Yes; and when the other people get them then it is at their instance.

Q. At whose instance?—A. At the instance of the other people. I was only dealing with what the Holland people had secured.

Q. You say the Holland interests secured the passage of a bill?—A. Yes.

Q. In what way did they secure it?—A. Asked for it, I suppose.

Q. Asked for what? Asking for it does not always secure it, does it?—A. It is a pretty good thing to ask or you will not receive, so the Good Book tells us.

Q. You mention here what Mr. E. B. Frost said regarding reasons for the building of the *Holland* in your letter of 1900. Where did you get that?—A. That is one of the public documents.

Q. Where did you get it?—A. I got it by asking for it in the committee room or the document room.

Q. Which committee room?—A. The Naval Committee room.

Q. House or the Senate?—A. If it was a Senate document, the Senate; if it was a House document, the House.

Q. For what purpose did you get it?—A. General information.

Q. When did you get it?—A. I got that at the same time that I got the other documents.

Q. 1895?—A. In 1902. I realized that the subject was one of growing interest, and all that I could get that bore upon the historical relations of the matter the more I would have.

Q. Now, do you see anything wrong in those publications?—A. I have not seen anything wrong; no, sir.

Q. Would you see anything wrong if a rival company should indulge in such publications?—A. What publications are you speaking of?

Q. Such articles as this?—A. No; not a bit.

Q. Or articles for one type of submarine?—A. Not a bit. It stands to reason the Holland Company would not build the boats they are building if they were not firmly convinced they should get——

Q. Let me ask another thing. The Lake Company, I think you said, makes boats for other countries, made boats other than for the United States. Does it use all of its latest inventions for boats, submarines?—A. It has never built boats really for any other government but foreign governments.

Q. I thought you said it had.—A. I say it has never built boats for any other governments than foreign governments; that is, it never has had a market for its boats.

Q. Does it use its inventions that are covered by its United States patents?—A. Yes, sir; but those patents do not protect them abroad.

Q. I am not asking about protection, but does it use them?—A. Yes.

Q. Is there any contract with the foreign governments, any provision that it shall not give the United States any of the secrets which it may learn from those governments?—A. I really am not possessed of any information in regard to that.

Q. Have you not seen any of those contracts?—A. No, sir; I have not.

Q. I thought you were over there getting them?—A. But I have not seen them after they were made; that was the other end of the business. I had nothing to do with getting contracts as such. I was only employed to explain the merits of the boats.

Q. Do you know Mr. Isaac L. Rice?—A. Never have met him.

Q. Nor Mr. E. B. Frost?—A. Nor Mr. E. B. Frost.

Q. Nor Norman G. Johnson?—A. I do not think that I have ever met them.

Q. Mr. McNeir?—A. I was a classmate of Mr. McNeir's at the law school.

Q. Have you ever had relations with him touching submarine matters?—A. Never.

Q. Do you know Mr. Simon Lake?—A. Yes, sir.

Q. Is he president of the Lake Company?—A. President of the Lake Company.

Q. How long have you known him?—A. I have known Mr. Lake since December of 1897.

Q. When did you last see or have a conversation with him?—A. I last saw Mr. Lake, as I say, when he came with his wife to call on me.

Q. Did you see him since he is in Washington?—A. Only here.

Q. You see him here now?—A. I see him here now.

Q. Do you know Mr. J. C. Lake?—A. Yes, sir.

Q. How long have you known him?—A. The same length of time. He was in the office the time I first went to see Mr. Simon Lake.

Q. Where did you last see him?—A. I have not seen Mr. J. C. Lake since December, 1906.

Q. You spoke about having been consulted by the——A. Denver people?

Q. Denver people.—A. Yes, sir.

Q. In writing these articles were you in any way interested in behalf of the Denver proposition?—A. No, sir; at that time I had not met the Denver people; that is, they had not spoken to me in a business capacity.

Q. Do you know the counsel of the Lake Torpedo Boat Company in this city?—A. No, sir.

Q. You are unfortunate. Do you know Senator Thurston?—A. I am sorry to say if I have missed anything, I have not had that pleasure.

Q. Or Mr. Neff?—A. Mr. Neff I have never met.

Q. Read these articles and say you do not favor the Lake boat?—A. I should never have; it was in favor of the even keel.

Q. Whether it is or not, I do not know an even keel by sight.—A. I have written it with the object of making it plain.

Q. You made it plain enough to me and to every other intelligent person that these articles, if we took them as scientific verities, would favor the Lake boat. Wasn't that the intention?—A. No, sir; it was not. It was to advocate the even-keel boat.

Q. Is there any other boat?—A. Yes, sir.

Q. Do these Denver prairie schooners have them?—A. The Italian boats are even keel; French, Norway, and Sweden run even keel.

Q. You do not say anything about them in here?—A. I think so; in the Harper's Weekly article I think you will find it.

Q. These articles attack the methods of the Electric Boat Company and the Holland people, and you put their boat in the background and put the Lake boat to the front; that is the effect of these articles.—A. If you are referring to the Scientific American article, I am dealing with the question of opening the whole matter to open competition—to anybody.

Q. Would that hurt or harm the Lake Boat Company?—A. It would not hurt them and it would not hurt the Holland Company.

Q. Yet you say in here that they get legislation giving them a cinch on the whole business.—A. I say that is not developing the art. That is the whole contention.

Q. It is what?—A. My whole contention is not to belittle the Holland people in any way, but to open the field to everybody. That is my point.

Q. Open it particularly to the Denver people?—A. No; open it to anyone who is willing to meet Government requirements.

Q. Have the Denver people ever made a boat?—A. No, sir.

Q. Have they put in a bid to the Navy Department?—A. No, sir.

Q. You understand perfectly well that the naval appropriation bill is for a certain specified period?—A. Yes, sir.

Q. You know the naval appropriation bill passed this year will be for the year beginning June 30, 1908, and running one year from that time? Now, could the Denver people make and submit a boat of that kind?—A. No, sir; but this could be done. An American shipyard could secure the right to reproduce under their own name foreign boats that have already met with success.

Q. Now, Mr. Skerrett, you are a pretty intelligent man, and you do not wish to ask us to disparage the intelligence of the people who read the Scientific American as to having us think that they would not construe that article to be in opposition to the Electric Boat Company and friendly to the Lake Boat Company?—A. It was not written with that intention.

Q. I know, but I am thinking how it would strike a man?—A. Of course if you are going to put it on that basis it simply amounts to the fact that my intention does not count for anything.

Q. You said he gave you an envelope with some other papers. What did they relate to?—A. As I said, they had to do with other business that we are interested in.

Q. And only that?—A. And a list showing percentages of completion of the various naval vessels.

Q. Of what?—A. Every month the board on construction publishes a list showing the degree of completion.

Q. Did you have any conversation with him about submarine matters?—A. Naturally.

Q. You got some information from him, then, did you not?—A. No; we simply discussed the general state of the thing, that was all.

Q. Did neither one give the other information?—A. No.

Q. I thought information flowed from you on submarines like attar of roses from attar.—A. When it comes to information on submarines I do not have to get information from Mr. Whitney.

Q. You are right up on that?—A. I think I know more than he does on the technical aspects of it.

Q. Is he an engineer?—A. He is a lawyer.

The CHAIRMAN. Any other member of the committee desire to ask any questions?

By Mr. BROUSSARD:

Q. Mr. Skerrett, the entire reason for writing these two articles for the Scientific American and Harper's Weekly grew out of the fact that you had knowledge and quoted in your Scientific American article the exact language of the provision in regard to the submarines are included in the naval bill of this year?—A. Yes, sir.

Q. Now, then, that being the reason for writing those articles, can't you tell us who furnished that information you quote in the article in the Scientific American?—A. You mean the draft of the bill?

Q. Yes.—A. I say it is quite likely Mr. Whitney gave it to me.

Q. This is the basis of your knowledge, and taking that view of it——A. No, the basis of this article is the public press.

Q. But the public press; you did not quote this article in the public press, did you?—A. But pardon me, the article for Harper's Weekly was inspired entirely by what had come to my knowledge from the public press.

Q. Then I go back a little further; the article in the Scientific American is the article that quotes verbatim the language of the bill?—A. That was inspired by the act.

Q. That is what inspired this article?—A. Yes, sir.

Q. That is the substance, it is the foundation of that article?—A. Yes, sir.

Q. Now, then, when you got the foundation for the article for which you are going to be paid——A. I was not going to be paid.

Q. It was a humanitarian sort of a proposition, philanthropic?—A. No, it was an academic discussion of the art; that is all.

Q. But then the foundation of the article was the provision in the naval bill of this year?—A. Yes, sir.

Q. Now, then, if that be the basis, whatever your reason may be for writing the article, can not you so refresh your mind as to locate the individual or person, the location and time where a basis was furnished you?—A. No, sir; because I was self-inspired entirely. Nobody has suggested the propriety.

Q. I am not suggesting that anyone did. I am trying to refresh your mind. If anyone is going to build and has a foundation for a structure, after you recall the magazine, the newspaper, or a story, or anything, isn't it apt to refresh your mind as to the individual, the locality of the conversation, and the occurrence upon which he is going to write a magazine article? Isn't that a fact, generally speaking?—A. Generally speaking.

Q. After a year had elapsed you would still remember the foundation of the particular story?—A. Yes, sir.

Q. So recent an article as the one written within the last sixty days, the basis of which is certain information which by mere coincidence, I presume, quotes verbatim the report of the committee of Congress that was not made until nearly thirty or forty days after the information was given ought to refresh your mind as to the individual who gave you the information?—A. As I say, so far as the language of the bill is concerned, I am certain that Mr. Whitney gave it to me.

Q. I understood you all the time to say you were not?—A. I was not certain.

Q. Now you are certain that Mr. Whitney gave it to you?—A. Yes.

Q. I am going to read you that quotation. I want you to look out for certain coincidences between your line of thought and Mr. Lilley's line of thought; however, you have testified you did not know him.—A. I have never met him.

Q. It is a mere coincidence, of course, and I can readily understand that you and Mr. Lilley both oppose submarines and prefer battle ships. I am going to give you the wording of the bill reported to the House by the Naval Affairs Committee, which you quote in this article published on the 21st of March. I presume it is a coincidence that the language in that article and the language of the bill itself are verbatim, the same thing.

The Secretary of the Navy is hereby authorized and directed to contract for eight submarine torpedo boats, in an amount not exceeding in the aggregate $3,500,000, and the sum of $1,000,000 is hereby appropriated toward such purpose, and to remain available until expended: *Provided*, That all said boats shall be of the same type heretofore determined to be the superior as the result of the comparative tests held under the provision of the naval appropriation act approved June 29, 1906, and March 2, 1907, unless on or before October 1, 1908, a submarine boat of different type and of full size for naval warfare shall have been constructed and submitted to the Navy Department for like trial and by such like trial by said Department demonstrated to be not inferior to the best submarine torpedo boat in the competitive competition referred to.

That is the issue of the Scientific American dated March 21 that is read from. That is the language you used. Now, that is the language you got from Mr. Whitney, the former clerk to that committee?—A. Yes.

Q. There is not anything in that language that says *Octopus*, is there?—A. Inferentially, yes, sir.

Q. There is not to the average layman, to the landlubber, like myself, that says *Octopus*.—A. To anyone that is familiar with the subject, it is; to anyone not familiar, it is not.

Q. Now, then, I am going to read your remarks with reference to that provision and then I am going to read you Mr. Lilley's remarks to this committee with reference to that provision, and I want you to

explain the coincidence between your language and his. This follows immediately the quotation:

Apart from specificaly providing for only boats of the diving type like that of the *Octopus*, the vessel indirectly described in the above draft, the indulgence offered a possible competitor is so limited as to make it prohibitive.

Now, I will read you what Mr. Lilley said to this committee at the opening of a paragraph in his testimony:

I also call attention of your committee to the character of the amendment proposed by Representative Loudenslager to the naval appropriation bill which requires in specific terms that the Secretary of the Navy shall award the entire proposed appropriation for the construction of boats of the *Octopus* type constructed by the Electric Boat Company, unless prior to October 1, 1908—

and so forth.

Is that a coincidence?—A. I imagine it is, as I had absolutely nothing whatever to do with Mr. Lilley. I did not even know Mr. Lilley by sight.

Q. Is it possible that in gathering your information for your article that you sought the same sources of information to guide you that Mr. Lilley sought in grasping his reasons for this investigation; is that possible?—A. I don't think it is.

Q. Do you know anybody to your knowledge of your acquaintance that could furnish that information despite the fact that the provisions of the act were not published, that the act itself was not reported, and despite the fact that the boat *Octopus* did not appear in the provision, and which both of you have concluded meant the *Octopus;* is that possible?—A. It might be possible, but I do not know how it could be.

Q. It might be possible?—A. It might be possible, but I have never discussed the thing with anybody who inspired me.

Q. You said that somebody, a paper or magazine, reproduced one of your articles with reference to submarines?—A. Yes, sir.

Q. I do not recall it.—A. The Engineer.

Q. Where is that magazine?—A. Published in London.

Q. Had the Engineer carried more than one of your articles as a reproduction?—A. You are speaking, not about an original production, but a reproduction?

Q. Yes.—A. That was not the Engineer; that was the Journal of the Royal Artillery.

Q. You testified here that you published several articles?—A. Yes, sir.

Q. At various times?—A. Yes.

Q. With regard to submarines?—A. Yes, sir.

Q. You said one of them had been reproduced by——A. Journal of the Royal Artillery.

Q. Did that paper or any other paper in England, or magazine or any other paper in France, or Germany, or Italy, or Russia, or Norway reproduce any of the articles that you published in this country?—A. I think so.

Q. Well, now, which, so far as you recall? Give us a list.—A. As far as I recall I can not give you a list, but I do recollect that after the article was published first in the United States that in looking through the list of reviews in the book of the Austrian publications I saw where my article was referred to as being mentioned in this publi-

cation. Whether it was mentioned or quoted in its entirety or not I do not know; I did not see it.

Q. Did any other magazine anywhere else in Europe or Japan request a reproduction of any of those articles?—A. No, sir.

Q. So that the English magazine reproduced one with your permission?—A. Yes; having first asked the permission of the editor of the domestic publication.

Q. Then another Austrian magazine reproduced another one?—A. No; the Austrian magazine publishes every month in the back of it a review of current literature dealing with technical subjects with which it is more or less related, and in that, for instance, they review so and so, the limitation of the diving type, whatever it might be. And that is the only knowledge I have had; whether it had been reproduced there or not I do not know.

Q. Well, now, you have said that you were not a naval constructor, engineer, or graduate of any college or university?—A. Yes.

Q. Who is responsible for reproducing a layman's articles with regard to scientific subjects such as those that you have written?—A. As I have remarked, I was born in the service, and I have been identified with it all my life.

Q. That does not make a man a naval constructor.—A. It does not make a man a naval constructor, but it gives him a knowledge of it that probably the average layman would not have.

Q. What do you mean by being born in the service?—A. My father was in the Navy.

Q. Was he an officer?—A. He was an officer.

Q. Do you know or do you not know who is responsible for the publicity or wide distribution of a number of articles written by a citizen of this country who does not affix to his name designating sufficient familiarity to be identified as an expert or a scientist along the lines of articles and—you did not sign any letters behind your name to indicate that you were a naval constructor or engineer, or anything of that character?—A. No, sir.

Q. The two articles we have here——A. Are apparently civilians.

Q. Now, then, who is responsible, or do you know who is responsible, for the distribution of literature from a layman on scientific subjects such as the articles that you have written and the testimony you have given about their reproduction?—A. You mean so far as my own work is concerned?

Q. Yes, so far as your own articles.—A. I write for the paper, and that is the end of it.

Q. What I want to get at is this: Has anyone, to your knowledge, secured the reproduction of those articles abroad?—A. No, sir.

Q. Are these articles reproduced abroad circulated in this country?—A. That I could not tell you.

Q. Do you know whether they are?—A. No, I do not, except all I know is that in most naval libraries——

Q. I mean circulated in the manner in which these two articles have been circulated?—A. No, sir.

Q. Harper's Weekly I buy; this time I got it free.—A. I have no knowledge of anybody or the source.

Q. You do not know who sent me a Harper's Weekly, for instance?—A. No, sir; I do not.

Q. This particular issue?—A. I really did not know it was out until I went in a store and saw a copy of it.

Q. In discussing with the people with whom you used to deal about the reproduction of these two articles, did you state that that could be with propriety or advantage sent to the members of this committee or members of the Naval Committee of the House?—A. No, sir; because if I had mentioned that, either to the editor of Harper's Weekly or the editor of the Scientific American, they would promptly have declined to consider the article at all.

Q. They did not decline to send me one.—A. I say, so far as my dealings have been concerned with the editors of those publications, had I suggested for a moment the propriety of distributing the matter, they would not have entertained the article.

Q. Isn't it a fact somebody must have suggested that I get a copy of this particular article?—A. You told me that you have received it. That is the first information I had.

Q. I received it day before yesterday.—A. As I tell you, I did not know the article was out until I bought it to-day.

Q. You said nothing about that?—A. No, sir.

Q. To the editor of either journal?—A. In the first place, Saturday a week I read the proof of that article. I knew that Harper's Weekly was sent out Wednesday and probably went to press on Tuesday. It never occurred to me, reading the proof on Saturday, that it was going to be out the succeeding week.

Q. This was rather an extraordinary performance about Harper's Weekly getting it out so soon?—A. They had had the article some time.

Q. You read the proof on Saturday?—A. But they had my manuscript for some weeks.

Q. They did not publish the journal until after they had the proof?—A. No; because, I say, having sent the proof only on Saturday, it never occurred to me that it would be in the next week's issue, because, as a rule, the paper for the next week is made up on Saturday and he did not get my proof back until Monday. Do you see my point?

Q. Yes.—A. And to-day I went into the news stand and saw Harper's Weekly, picked it up, and there was the article.

Q. The copy that I received is marked as you see.—A. Yes, sir.

Q. And in that copy, apart from your own article, there are two other articles with reference to pending legislation in Congress. Had you any knowledge as to the other two articles?—A. No, sir; absolutely not.

Q. And you tell this committee that you know nothing about this particular issue being provided for and sent to Members of Congress?—A. Absolutely in ignorance of it.

Q. And you suggested it to no one—to the Holland people or the Electric people or the Denver concern?—A. I have not discussed it with a soul.

Q. With the Lake people, or anybody?—A. Nobody.

Q. As far as you know, there is no intimation in your mind that some one might send these copies to members of this committee, or members of the Naval Affairs Committee, or members of the House?—A. No, sir.

Q. No intimation of any kind or character that anyone connected with this journal or connected with any of the companies whose names have been used in the testimony before this committee?—A. No, sir.

Q. And you got no pay for the article?—A. I did for the Harper's Weekly article; I was paid for that.

Q. Isn't it a fact that the articles you have written have been distributed throughout the country in the same particular manner that this article came to me?—A. That I have no knowledge of. The articles that I wrote before I had any identification whatever with the Lake company were simply sent to newspapers to be used and distributed as the newspapers saw fit.

Q. I understand that, but I mean is it within your knowledge that articles written by you with reference to submarines have been sent out not by the papers to their subscribers, but by somebody to individuals in this country in order to build up sentiment, one way or the other, in reference to submarines?—A. No; I have not been in this country since—well, I have been in it since, yes, but I went abroad in 1905, and then I went back, came here for a while in 1906, and went back and stayed there until November of 1907, and if anything has been distributed in the United States since then or during that period, it has been absolutely beyond my knowledge.

Q. No one has ever told you they had been sending it?—A. No, sir.

Q. No one interested in any of these companies?—A. No, sir.

Q. No one interested in submarines, neither favorably or adversely?—A. No, sir.

Q. And nobody with any interest in the boat company?—A. No, sir.

Q. You do not know of anybody who was interested in sending these copies out?—A. No, sir.

Q. You do not know who did?—A. I do not.

By Mr. OLMSTED:

Q. Mr. Skerrett, I am asked by Mr. Littleton to ask a few questions of you. I first show you a postal card bearing a cut of what I presume to be a submarine boat. It is entitled:

No. 1, Development of Submarine Vessels.—British submarine A8 of 200 tons, built in 1904. Has one screw, has a surface speed of 11 knots, a submerged speed of 8 knots, and is armed with 2 torpedo tubes. This vessel made an uncontrolled dive and drowned 15 members of her crew. She is a sister boat of the A1, A4, and A9, all of which met with serious accidents.

This was addressed to Frank B. Lord, esq., the Lenox, Washington, D. C. It appears from the postmark to have been mailed at New York, February 20, 1908, at 6.30 o'clock p. m., and received at Washington February 21, 1908, at 8 a. m. I will show you that card and ask you now this question:

Does the cut now shown you present an accurate idea of British submarine A8, of which you have already spoken?—A. I should say it probably did. So far as I can see, here it is, "VI," which indicates A No. 6, instead of A No. 8. Whether the two other plates are hidden underneath there or not, I do not know, but it is of the type of A8; there is no doubt about that.

Q. Does the cut now shown you give an accurate idea of that class of British submarines which approach toward the Lake type of——

Mr. LITTLETON. Beg your pardon; you have answered the question concerning that.

By Mr. OLMSTED:

Q. I show you another. This also contains a picture or cut of what appears to be a boat, probably a submarine, and the postal card is entitled No. 2:

Development of Submarine Vessels.—British submarine B1 of 280 tons, built in 1904. Has a single screw, has a surface speed under favorable circumstances of 13 knots, a submerged speed of 9 knots, and is armed with 2 torpedo tubes. This vessel is fitted with hydroplanes and has an increased superstructure designed to obviate, if possible, the dangerous tendency to voluntary diving characteristics of the perilous "A" class. In the adoption of hydroplanes and the augmenting of the superstructure the vessels of this class show the first British approach toward the "Lake" type of America.

This was addressed to Frank B. Lord, esq., the Lenox, Washington, D. C., and appears from the postmark to have been mailed at New York February 21, 1908, at 6 p. m. and received at Washington February 22, at 2 a. m. I show you that card.—A. That is "B" class, sir.

Q. Now I ask you, Does the cut now shown you give an accurate idea of that class of British submarines which approach toward the Lake type of America?—A. So far as the superstructure is concerned only. That is, they are built up to the body above the hull, and in that particular they are approaching the superstructure of the Lake boat.

Q. Do you recognize the two cuts shown you?—A. Oh, I have seen these pictures often; they have been very much reproduced in English periodicals.

Q. State fully all you know about your cuts shown on postal cards.—A. I had them made.

Q. On the postal card?—A. For the postal card.

Q. How did they get on the postal cards?—A. They were printed.

Q. Who printed them?—A. They were printed by Stilson.

Q. Where?—A. New York.

Q. Did you have them printed?—A. I did.

Q. Who paid for the printing of them?—A. Mr. Lake.

Q. Which Mr. Lake?—A. Mr. Simon Lake.

Q. Who sent them out?—A. They were sent out by my secretary.

Q. Who is your secretary?—A. Miss Hoffmann.

Q. Where does she live?—A. She lives in New York.

Q. Is her office in your office?—A. Yes.

Q. How many of those cards did you have printed?—A. I think there were a thousand of each.

Q. To whom were they sent? I do not want you to remember all the names of a thousand people, but to what class of people were they sent?—A. Sent to the Members of Congress—I mean by that the House of Representatives and the Senators—and naval officers and the news paper men.

Q. Do you know Frank B. Lord?—A. Frank B. Lord?

Q. Yes.—A. No, sir.

Q. Do you know what newspaper, if any, he represents?—A. I only know from the paper as announced at the time that there was trouble.

Q. Now, where did you get the list from which those cards were mailed?—A. I made up the list.

Q. From what?—A. From the Congressional Directory.

Q. You got the names of newspaper people from that?—A. Yes; those that were apparently accredited to the press gallery.

Q. I ask you if you know what paper Frank B. Lord represents? I think you said only from what you read in these proceedings?—A. I did not do anything but turn the business over to my secretary.

Q. But I am asking if you know now what paper he represents?—A. I know that he was on the Sun.

Q. Now, who paid you for doing that?—A. Mr. Lake did not pay me for doing it; he simply gave me authority to go ahead, and up to that time and paying the bill, and I called him up by telephone and told him what the amount was, and he sent me the money and I paid it.

Q. How much was it?—A. My recollection is that that cost $13 each, somewhere in the neighborhood of that.

Q. Thirteen dollars for what?—A. For each thousand.

Q. The cards and all, printing of them?—A. Cards and all.

Q. Addressing and all?—A. Yes, sir.

Q. Stamps and all?—A. Stamps were of course additional.

Q. Did you get any pay for that?—A. No, sir.

Q. You did that solely in the interest of art?—A. Well, I had nothing to do except to deliver the things to the printer.

Q. Why did you do it at all?—A. Mr. Lake called me up on the telephone and asked me if I could get him out these two post-cards—if I would not attend to it.

Q. Why did he get you to do it, if you were not in his employ?—A. Simply because he probably wanted it done in New York.

Q. Who provided the legend?—A. Mr. Lake.

Q. Which Mr. Lake was it?—A. Mr. Simon Lake.

Q. Do you expect to be paid for that service in that matter?—A. I think not, sir.

Q. When were these cards printed?—A. They were probably printed in the week preceding, I think February 21 is on here. I think it was the week prior to that, if I remember right.

Q. Now, was your negotiation with Mr. Lake—was that verbal—written or telegraphing or telephone?—A. Telephone.

Q. He said he wanted it done in New York—A. He asked me if I could attend to it; he said there was nobody in Bridgeport could do it for him.

Q. Nobody in Bridgeport to print the postal cards?—A. To produce the cuts.

Q. How large a place is Bridgeport?—A. I think a population of some 75,000.

Q. The legend, the printed matter, did you get that by telephone?—A. Yes, sir.

Q. Are you a stenographer?—A. I have a stenographer, and as he called it off to me I called it off to the stenographer.

Q. He wanted them made in New York?—A. There was no object that I gather sending them anywhere else. They would have to be mailed one way or the other.

Q. There might have been an object in having them mailed in New York rather than at Bridgeport?—A. There might be.

Q. There is a postoffice at Bridgeport?—A. Yes, sir.

Q. What, if anything, do you know about the plan of sending these cards to Members of Congress and the members of the press galleries—you have already answered that.—A. I have answered that, sir.

Q. You have testified that you were not in the employ of the Lake Company from January to November, 1904. Is it not a fact that you were present at the Newport trials of the Holland boat *Fulton* in June, 1904, as the representative of the Lake Company?—A. Yes; that refreshes my memory.

Q. You do remember that now?—A. I remember that now.

Q. Did you get paid for your services or do it in the interest of art?—A. Got paid for my services at the time; I had been paid $75 a week and my expenses.

Q. Did you make any report of those trials to the Lake Company?—A. I made a verbal report only.

Q. When?—A. Following.

Q. No written report?—A. That was just before Mr. Lake sailed for Europe.

Q. Now, how long, refresh your memory again, and tell me how long that forgotten employment continued.—A. It lasted six days, or until, I think, beginning the day I left Washington and the day I returned.

Q. Did you not prepare or assist in the preparation of Mr. Lake's plea—I have learned for the first time Mr. Littleton's politics in this question—he says, "Did you not prepare or assist in the preparation of Mr. Lake's plea to President Cleveland, which was printed in the Bridgeport Evening Post of April 1, 1905, see page 397 of the record." I will change to read President Roosevelt, and then ask the question.—A. No, sir, I was not in the country.

Q. Not in the beginning of April, 1907?—A. No, sir; I left on the 4th of March, the day the President was inaugurated.

Q. You may have helped to prepare an article before that?—A. No, sir; I did not, absolutely had nothing to do with that.

Q. Do you remember "competition between the Lake and Holland types of submarines has been unlawfully eliminated and a contract made for Holland boats in open violation of the mandate of Congress"—do you remember anything of that?—A. I had nothing to do with it, sir.

Q. Do you remember that language?—A. Never heard that language, either.

Q. Had not read that fact?—A. I read part of it and then stopped.

Q. That is the second passage?—A. I do not recall it.

Q. You say, then, that you had nothing whatever to do with the preparation of that article?—A. No, sir; absolutely nothing.

Q. Did you not furnish material or the facts from which it was prepared?—A. I am absolutely unconscious of that.

Q. Won't you refresh your conscience? You have not read the article all the way through.—A. I have not read it; no, sir.

Q. It has got in here something about "Quigg-Doblin bribery charges," "Construction board said Lake entitled to competition," and all that sort of thing. Did you not furnish the material or some of it on which that article was written?—A. No, sir.

Q. Did you furnish any written or typewritten matter to Mr. Lake shortly before you went away in March, 1905?—A. I can not recall anything specifically.

Q. You did submit something in general?—A. Whatever I learned at the time I told the company.

Q. You knew at that time you told him before going away?—A. Yes.

Q. Did you prepare an article which was published in the Artillery Journal about two years ago on the subject of submarines?—A. Yes, sir.

Q. For whom did you write that article?—A. For myself alone.

Q. Now, what, in a general way, did that article contain?—A. That article, in a general way, contained a discussion of the performance of the diving boat in the United States Navy and in the English navy, in the Dutch navy, and in the Russian navy.

Q. Where did you obtain the material upon which you based that article?—A. Obtained that in conversation with various officers in the Department.

Q. Which Department?—A. Navy Department.

Q. Were you at that time in the Department?—A. I was not in the Department, but I had a great many friends in the Department, and they were always very free and willing to discuss the subject. They showed me reports and I made extracts from the reports.

Q. You made use, did you not, of some information taken from the Navy Department files?—A. No, sir.

Q. You saw the files?—A. The things were not confidential and were in the ordinary traffic of correspondence with the Department.

Q. Who showed them to you?—A. I can not recall who, but various officials.

Q. Was it generally volunteered to you when you went in?—A. No; I used to go there and discuss the subject with them if anything turned up of interest.

Q. This is only two years ago; give the name of only one officer.—A. This was 1904 and 1905; I discussed the matter with Mr. Hilligan.

Q. What office does he fill?—A. He was in the Bureau of Ordnance at the time.

Q. Is he there now?—A. No, sir; he is at sea. I have discussed the matter with Captain Chambers.

Q. Is he there now?—A. I think he is. I discussed the matter with Captain Fletcher, and I really could not tell you how many.

Q. Give me all you can.—A. I discussed it with the various bureau chiefs in one way or another.

Q. Which chiefs?—A. The then chief of ordnance, and I also previously discussed the matter with Commander Edwards and Admiral Melville.

Q. Now, which one showed you the files from which you took that information?—A. I really can not recall, sir.

Q. Recall anyone?—A. Not particularly.

Q. Can you generally?—A. I saw papers in the possession of most of them, if I recollect.

Q. Now, had not the Secretary of the Navy previously declined to furnish this information to Congress as against public policy?—A. Not to my knowledge.

Q. Do you know it since?—A. I have heard it since.

Q. How did you hear it?—A. I think the papers in some one of the hearings before the House Naval Committee.

Q. And yet some of those people freely gave it to you?—A. Yes, sir.

Q. Can you state who it was that gave you this information which the Secretary of the Navy would not give to Congress?—A. No, sir; I can not specify.

Q. Can you state anyone specifically?—A. No; I can not.

Q. Which one of the ones you mentioned showed you the files containing the information which the Secretary refused to give?—A. I do not know that, sir, because I discussed the matter in the presence of other officers, and I do not recall their names; I do not know who had the correspondence.

Q. Were you shown any of the files?—A. You mean deliberately gone and taken from the files? No, sir.

Q. I mean you were not shown some of the files when there was only one officer of the Department present?—A. No, sir; I do not remember it.

Q. Who keeps the files?—A. That I can not tell you. If you go into the Navy Department and——

Q. I am not going into the Navy Department—I am asking you.—A. The files are distributed and they——

Q. You know there was certain information there which the Secretary has subsequently refused to make public before Congress. I know you did not know it at the time, but you know that information was refused, do you not?—A. I know that information was; yes.

Q. Now, then, I should think you would know where you got it.—A. No, sir; because I made notes and put them in my pocket and went off with them.

Q. What was your information in a general way?—A. In a general way it was in regard to a question determining the tendency of a boat to plunge, for instance, and how they had operated in sea waves, and things of that sort.

Q. Were you at that time in the employ of the Lake Company?—A. Yes, sir.

Q. I thought you said a little while ago you had not gone to the Department in the interest of the Lake Company?—A. I had not.

Q. This was purely a personal matter?—A. Purely a personal matter—it was not given to me as a representative of the Lake Company.

Q. I assume you did not mention while you were there that you were a representative of the Lake Company.—A. It was perfectly well known I was identified with the Lake Company.

Q. How was it known?—A. It was common knowledge in the Department.

Q. And you had not been to the Department on any business for the Lake Company?—A. This was my home, and when I was not busy I generally came home, and I never lost an opportunity to go through the Navy Department. Some of that information I did secure before I was identified with the Lake Company.

Q. How did you secure that and make notes of it?—A. I recognized the subject was a developing one.

Q. Were you at that time in the Department?—A. No, sir; I was a civilian.

Q. A what?—A. Out of the service.

Q. You did not take any note of these things while you were in the service?—A. No.

Q. You are positive about that?—A. I am, because there was nothing in connection with the submarines up to the time I left the service other than the simple building of the original *Plunger*.

Q. Let me ask you something a little more specific. From whom did you get Naval Constructor Taylor's confidential report regarding the tests of submarine models and the confidential figures which were published in that article in the Artillery Journal?—A. Those things I received in the ordinary course of routine work, when I was in Berlin.

Q. From whom did you receive that?—A. I do not know. I was in the employ of the Lake Torpedo Boat Company in their Berlin office, and whenever any information came, it was simply referred around to the various people who had a right to know.

Q. Who had a right to know this secret information from the record of the Navy Department?—A. I do not know anything about it being secret.

Q. Confidential reports are generally secret.—A. I do not know that it was confidential; I have no knowledge of that; I only know this was a copy of the report of the files.

Q. That is a part of the information that the Secretary of the Navy refused to give to Congres?—A. That I do not know.

Q. I thought maybe you would know that from common knowledge.—A. No; that simply was passed to me in the ordinary routine business.

Q. You found it in the business of the Lake people, Lake Boat Company?—A. Yes, sir; I was in the employ of the Lake Boat Company.

Q. While you were in their employ this information and confidential report and these tests of submarine and these confidential figures drifted into your possession?—A. They were brought over by messenger, brought to my room.

Q. Whose messenger?—A. The company's messenger.

Q. That is where you got them?—A. That is where I got them.

Q. That is all you know about it?—A. Absolutely all.

Q. You got none of that yourself from the Department?—A. No, sir.

Q. Or from anybody connected with the Navy Department?—A. No, sir.

Q. Who was keeper of these records to which you refer?—A. Which records?

Q. This confidential report regarding the test of submarine methods, confidential figures; whose business was it to keep them in the Navy Department?—A. I do not know; I was not in the country then.

Q. I know, but you were in the country a little while before and afterwards and when here you went to the Navy Department.—A. Yes, sir.

Q. Whose business was it to keep those?—A. I do not know. I know now who was the keeper of such records.

Q. Who was the keeper of such records?—A. I imagine in a case like that probably the Chief of the Bureau.

Q. Who was the Chief of the Bureau?—A. The present Chief of the Bureau was then Chief of the Bureau, I think.

Q. What was his name?—A. Washington Lee Capps.

Q. Admiral Capps?—A. Admiral Capps.

Q. Did you have any idea of the object for which those postal cards were sent to Members of Congress?—A. General information, I imagine; I do not know.

Q. Did Mr. Lake tell you what he wanted them sent out for?—A. No, sir.

Q. It was hardly necessary. Why did he want them sent to the members of the press galleries?—A. I can not answer for Mr. Lake.

Q. Would you imagine——A. I know that press men are only too glad to get anything in the way of pictures and information.

Q. And suppose he had them sent to Members of Congress and the press galleries?—A. To let them know, probably, that there was another type of boat.

Q. To let them know one type was a very dangerous one, and the Lake type was the one they ought to support?—A. That may have been his intent.

Q. Why didn't he sign it?—A. I can not answer that. It is not usual to sign post cards of a pictorial description.

Q. Why do you think Mr. Lake employed you for that work?—A. Because I had to do with the getting out of cuts of the Lake Company's work in the boat. He knew I knew what was necessary and telephoned me he could not have it done in Bridgeport and asked me if I would attend to it. I supplied the pictures; he had not the pictures.

Q. You could send the photograph? That could be done in any little town in the country.—A. I think not, sir.

Q. It is a pretty small town where that could not be done.—A. I can only state when the company's catalogue was printed they could not get plates made at Bridgeport; had to have it made in New York.

Q. Have you at any time prepared any other postal cards for Mr. Lake, or that company?—A. No, sir.

Q. Or sent any other communications anonymously to Members of Congress?—A. No, sir.

Q. And unsigned communications, or to the press gallery?—A. That is the only instance of it.

Q. Do you run a publicity bureau there in your office?—A. No, sir.

Q. You are still writing a good many articles?—A. I write to magazines and papers, yes, sir: when time permits.

Q. On submarines occasionally?—A. No; on general topics, nothing special.

Q. Do you represent any particualr newspaper or journal?—A. No, sir.

Q. Sell your articles as you find a purchaser for them?—A. As I find a market.

Q. Do you not expect to be paid by Mr. Lake or the Lake Company for these services in connection with that matter?—A. The only thing I should be paid for would be the price I paid for those pictures myself.

Q. You would not charge for your services?—A. No, sir; because they did not amount to anything.

Q. Or the use of your stenographer?—A. He would pay for that.

Q. Not for your time?—A. No, sir.

Q. Have you done any other work for Mr. Lake of any character or description since you opened your office in New York?—A. No, sir.

Q. Either for pay or gratis?—A. No, sir.

Q. Do you own any capital stock in the Lake Company?—A. Not one cent.

Q. Or any member of your family?—A. No, sir.

Q. Directly or indirectly?—A. Neither.

Q. Any standing in the name of any trustee for yourself or family?—A. Absolutely uninterested in any way.

Q. Or in the Electric Boat Company?—A. No, sir.

Q. Or of the Denver Company?—A. No, sir.

Q. Now, did your business as consulting engineer relate to anything except submarines?—A. It has not yet, except some in connection with the development of the English submarine.

Q. Mr. Littleton asks me to submit this question: Do you know that the date of mailing the first postal card was the date of the introduction by Mr. Lilley of the investigating resolution; did you know that?—A. I did not know that. Mr. Lake, when he asked me to get those cards, had simply said, "Won't you have them ready and mail them?"

Q. When did he telephone the matter to you that was to go on those cards?—A. The day he asked me to attend to it.

Q. Well, what day was it?—A. I really can not tell you.

Q. Can you tell me within a few months?—A. The date of the card is, I think, the 21st.

Q. The 20th?—A. My impression is that it took them a week or ten days to turn those cards out from the date I gave the order, and I gave the order the day I got the telephone message.

Q. Who made those cards—who printed them?—A. Stilson.

Q. Where is his address?—A. 122 Center street.

Q. Do you remember his first name?—A. Robert, I believe.

Q. They were all delivered to you at one time?—A. Yes, sir.

Q. Both number?—A. Yes, sir.

Q. On what date?—A. They must have been delivered before I posted them.

Q. I assume that that would be reasonable.—A. I think probably it took two or three days of the typewriter's time to address them.

Q. Then about when did they reach your office?—A. They probably reached my office about three or four days before the postmark, which would make it about the 17th—16th or 17th.

Q. How did you happen to hold them until the day Mr. Lilley's resolution was introduced?—A. I did not. That is, it was not done with any purpose or knowledge; they had to be addressed, and as they were addressed they were sent out.

Q. That is just a pure coincidence?—A. That is all.

Q. How did it happen you sent one set one day and the other the next day?—A. Because they were both addressed and sent out as soon as they were addressed.

Q. When did you notify Mr. Lake that they had been sent out?—A. I notified him the day that the first were sent.

Q. In writing?—A. Telephone.

Q. You didn't do much writing?—A. It is not necessary.

Q. It is cheaper to telephone?—A. Well, it is quicker.

displacement of the boat, the speed of the boat, the number of torpedoes it carries, and so forth.

Q. Is there any of them commendatory of the Holland type or of the Octopus type?—A. I don't think that is natural.

Q. I do not know why; you are purely interested in art.—A. I am not purely interested in those.

Q. Were any of them commendatory of the *Denver*?—A. No, sir.

Q. They were exclusively and specially designed for the benefit of the Lake Company?—A. Yes, sir.

Q. You have already stated that you now remember that two were mailed after the introduction of Mr. Lilley's resolution?—A. Yes, sir.

Q. You had not at that time heard Mr. Lilley's expression of opinion as to the impropriety of such proceedings, had you?—A. No, sir.

The CHAIRMAN. Are there any other questions?

Mr. LITTLETON. Just one question.

Q. This question is submitted by Mr. Lilley: From whom did you receive instructions to send No. 3 to Bridgeport instead of sending them to Washington?—A. From Mr. Lake.

Q. Mr. Simon Lake?—A. Yes, sir.

Q. Did he give any reason for it?—A. No, sir.

Q. Just told you to send them?—A. Yes, sir.

Q. When did you send them?—A. They were sent last week some time, I can not remember exactly when.

The CHAIRMAN. Is there anyone else present, either in person or by counsel, who desires to ask any questions of this witness?

Mr. THURSTON. I have a few questions.

The CHAIRMAN. My attention has just been called to the fact that it is nearly 7 o'clock, and possibly, in view of the lateness of the hour and the number of these questions, we had better take an adjournment.

(Thereupon the committee adjourned until Tuesday morning, April 7, at 11 o'clock a. m.)

SELECT COMMITTEE UNDER H. RES. 288.
HOUSE OF REPRESENTATIVES,
Tuesday, April 7, 1908.

The committee met at 11.15 o'clock a. m.

All members of the committee were present except Mr. Olmsted.

The CHAIRMAN. The committee will be in order.

The committee regret to announce that we were informed by Mr. Olmsted last night that his little daughter's illness has developed into pneumonia, and he had to leave last night. He telephoned me this morning that he was up with her the balance of the night and that they were very anxious and solicitous about her condition. It is impossible for him to be here to-day. At the conclusion of the examination of the witness who is now on the stand, therefore, the committee will then take an adjournment until half past 2 o'clock to-morrow, Wednesday, afternoon.

TESTIMONY OF ROBERT G. SKERRETT—Recalled.

The CHAIRMAN. Mr. Howard will present interrogatories to this witness propounded by Mr. Thurston, counsel for the Lake Torpedo Boat Company.

By Mr. HOWARD:

Q. Do you know the difference in size—that is, in length, displacement, diameter, etc.—as between the *Octopus* and the *Lake* which participated in the tests held under the law of 1907?—A. Not from memory; no, sir.

Q. Is there, to your knowledge, in American waters any other submarine now constructed or under construction, aside from the submarines constructed for the Navy by the Electric Boat Company, except the one boat *Lake*, owned by the Lake Torpedo Boat Company?—A. Not within my knowledge.

Q. Do you know about the time the *Lake* was completed?—A. She was launched in February, 1906. My impression is that she was finished before July. That is my recollection.

Q. The *Octopus* having been completed and offered for test during the spring of 1907, state as to whether or not between the time of the completion of the *Lake* and of the *Octopus* any advance or improvement had been made in submarine design and construction.—A. I should imagine so, yes; I can not state positively, but as I should imagine so, as the art is a very progressive one.

Q. Taking as a fact that the submarine *Lake* is about 80 feet in length and 220 tons displacement, and that the submarine *Octopus* is about 105 feet in length and 274 tons displacement, is it or is it not expected that the smaller boat *Lake* could compete in point of surface or submerged speed with the *Octopus*?—A. No; I should think not, upon those figures.

Company can make good this guaranty of such greater speed?—A. I can not answer that.

Q. Is there any reason why equal engine and motive power can not be installed in a Lake boat of the same length and displacement as a boat of the *Holland* type?—A. I can see no reason why the engine can not be installed in there; no, sir.

Q. Which would be, in your judgment, the superior boat, most useful and effective in naval warfare, both defensive and offensive of the submarine type—the Holland diving type or the Lake boat of the *Lake* even-keel type, provided that they were practically of the same length, displacement, and motive power?—A. I am an advocate of the even-keel type of boat.

Q. Will you read the following comparative analysis of the test trials between the *Octopus* and the *Lake* presented by me to the Secretary of the Navy, the correctness of which has never been challenged, and give me your opinion as to which boat showed superior qualities, except in the one matter of speed?

The CHAIRMAN. The witness will read the part referred to.

I call your attention to what I consider is a remarkable showing which the small boat, the *Lake*, made against its more powerful, and more modern rival, the *Octopus:*

"First. The speed of the *Lake* under all conditions as compared with the *Octopus* was 7 or 7½ to 10, and a boat of the *Lake* type of the same size of the *Octopus* in all probability would have shown as great speed as the *Octopus;* and considering the difference in the size of the boat it can fairly be said that no advantage is shown in favor of the *Octopus*. And again the Lake Company's bids guarantee as to all sizes of boats built for, as you will discover by careful comparison, greater speed than the boats bid for by the Electric Boat Company.

"Second. From the structural standpoint both types seem to receive equal and unreserved approval by your board. Nor is there any criticism of any kind as to the relative general plans as between the two types.

"Third. The *Octopus* did not make the deep-sea test of 200 feet submergence at any time prior to the expiration of the tests, as limited by Congress. What it may have done in this respect we are not advised. But the *Lake* did perform the submergence with its crew on board to a depth of 135 feet, the lowest depth obtainable for such tests within the waters specified where the tests would be conducted.

"Fourth. Both boats seemed to have failed in some measure in the torpedo-firing test, but it would seem that the failure of the *Octopus* was almost a total one from every standpoint; and the *Lake* was fairly successful, except for an accident in the timing of the third torpedo, and that apparently appliances and devices of the Lake Company for loading and discharging torpedoes are superior to those of the *Octopus*.

"Fifth. The twenty-four hour test was successfully performed by both boats with crews on board, but the condition of the atmosphere and the crew of the *Lake* was much better at its expiration than it was in the case of the *Octopus*.

"Sixth. The advantage was with the *Lake* in its surface tests. At least in this respect: In action its hull was entirely submerged, so that nothing was left but the conning tower as a target for the enemy, while the bow of the *Octopus* in similar condition projected about 4 feet above the water and presented a much greater and more dangerous target.

"Seventh. The evolutions of the both boats in circling, etc., were very similar. The *Lake* boat on the whole making a circle of less diameter; but this it was stated was to be expected on account of the greater length and size of the *Octopus*.

"Eighth. The diving performances, returning to the surface, and all minor maneuvers included in the tests were apparently upon an equality with reference to time, accuracy, speed, etc. The *Lake* encountered some difficulty in obtaining an exact submergence depth, when at a high speed, but this was on

If the performance of the torpedo-firing test rested upon superiority of appliances and the Lake company did do better than the *Octopus*, then, in that particular, I should say the Lake boat was better.

Fifth. The twenty-four hour test was successfully performed by both boats, with crews on board, but the condition of the atmosphere and the crew of the *Lake* was much better at its expiration than it was in the case of the *Octopus*.

In that particular, those being the facts, I should say that the *Lake* had that advantage; it was better.

Sixth. The advantage was with the *Lake* in its surface tests. At least in this respect: In action its hull was entirely submerged, so that nothing was left but the conning tower as a target for the enemy, while the bow of the *Octopus* in similar condition projected about 4 feet above the water and presented a much greater and more dangerous target.

The facts being as stated there, the *Octopus*, when exposed to gun fire, would probably have been more seriously damaged than the *Lake*.

Seventh. The evolutions of both boats in circling, etc., were very similar. The Lake boat on the whole making a circle of less diameter, but this, it was stated, was to be expected on account of the greater length and size of the *Octopus*.

That is only natural. If you have a larger boat, she requires a larger circle in which to turn. Probably if the Lake boat had been as large as the *Octopus* she would have had the same turning circle, approximately. I can not see that there is any advantage there.

Eighth. The diving performances, returning to the surface, and all minor maneuvers included in the tests were apparently upon an equality with reference to time, accuracy, speed, etc. The *Lake* encountered some difficulty in obtaining an exact submergence depth when at a high speed, but this was on account of minor defects readily eliminated under the plans submitted by the Lake company. (This has since been corrected.)

If I understand by this parenthetical remark that that has been corrected, that the *Lake* is working as she was designed to work, then I can not see that there is any difference, except that one is working on an even keel and one is working with an angle of inclination, and under normal circumstances I think the even-keel boat is the better.

Ninth. The steering apparatus of the *Octopus* appears to have been more modern in design, and probably superior to that of the *Lake*, and in some few minor details its superiority may appear to exist, but this can also be readily eliminated in constructing the new boats under the Lake company's plans and specifications.

Judging the boat by what she was, she was not equal to the *Octopus*. If they can change it so that she is, it is equality.

Tenth. What appears to me to be a marked superiority of the Lake boat is the device of its diving chamber, which seems to have demonstrated its practicability and usefulness to the entire satisfaction of your board, and which not only is a greater guaranty to the safety of the crew than is furnished by the *Octopus*, but also should prove of very great advantage in time of naval warfare in exploring harbors, in placing and removing mines, in cutting or reestablishing cable connections, etc.

I do not know what the safety features are with which the *Octopus* is fitted, and I can not make any comparison on that basis. I only know it has been printed in the public press that they have a helmet with a chemical in a little cylinder that by the exhalation of the breath, the moisture of the breath, produces this oxygen which supplies the necessary air so long as the head is confined in that helmet, and

submarines as ascertained by him from all sources of information, foreign and domestic—do you believe that more effective, powerful, and formidable submarines can be secured than can be contracted if the award is limited to submarines of the present type in the service of the United States; that is, the so-called *Holland* or diving type of submarine?—A. I think that open competition is the better way of securing the best results.

Q. If the Secretary of the Navy is left free by the legislation of Congress to exercise his best judgment in the selection of types and character of submarines to be constructed under competitive bids, is it or is it not your judgment that the Lake company can make good in construction any guaranty it may make in its bids whereby it will undertake to produce submarines of greater power, speed, and naval efficiency than any submarine now in the service of the United States, including the *Octopus*?—A. I do not see why they should not be able to produce a very much better boat than anything yet produced, I can not tell what they can produce, because it rests entirely with them, their responsibility, but I see no reason why they should not meet their promises.

Q. What foreign governments within your knowledge have now constructed or are constructing submarines of the even-keel type of submergence, and what foreign governments within your knowledge are now constructing submarines of the so-called diving type?—A. France is building even-keel boats, Germany is building even-keel boats, Italy is building even-keel boats, Norway and Sweden are building even-keel boats, Russia is building even-keel boats, Austria is building even-keel boats, and the latest boats of the British navy are said to be even-keel boats. Whether the latest boats in the British navy are actually even-keel boats I can not positively state. I do not know where else the diving boat is being built, except what I have read in the press, and that is to the effect that Austria is building boats of the Vickers-Maxim type, or *Holland* type. If that is the case, then they are building diving boats. What Russia is doing in the way of increasing her submarine flotilla since she bought the original Holland boat I do not know, but as far as my information goes almost all European countries are building what they call the even-keel boat.

Q. What, if any, foreign governments, in your knowledge, have, after experiments and tests, discarded the so-called diving type in favor of the even-keel submarine? And do you know and can you state the reasons for such action?—A. The British Government. Commander Sueter, of the royal navy, wrote a book last year on submarine navigation. Commander Sueter was the first commander of the British submarine *A1*. This is what Commander Sueter says about the British navy:

> In this country our submarines are now more nearly approaching the submersible type—that is, the small reserve of bouyancy noticeable in the surface-trim condition of the *A* class has been largely increased in the recent designs; also hydroplanes have been added to enable the boat to go under water on more of an even keel than hitherto, and this allows of an increase in longitudinal stability.

Q. Did you know or have any intimation of any kind or character whatever prior to the introduction of Mr. Lilley's resolution of investigation that any such resolution was to be proposed or that such

submarines as ascertained by him from all sources of information, foreign and domestic—do you believe that more effective, powerful, and formidable submarines can be secured than can be contracted if the award is limited to submarines of the present type in the service of the United States; that is, the so-called *Holland* or diving type of submarine?—A. I think that open competition is the better way of securing the best results.

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Q. Did you know or have any intimation of any kind or character whatsoever prior to the introduction of Mr. Lilley's resolution of investigation that any such resolution was to be proposed or that such

you read the marked space at the bottom of page 241 and the upper part of page 242?—A. (Witness reading:)

Model No. 150 was what might properly be termed "an approximate *Protector*." (Fig. 9.) It will be seen from the accompanying photograph of the *Protector* that the superstructure of that vessel rises vertically from the point of maximum horizontal diameter of the main, spindle-shaped hull, and, as a result, naturally forms a complete fairwater, as Naval Constructor Taylor describes it, for the entire upper half of the cigar-shaped hull, thereby entirely removing all of the disturbing influences incident to that troublesome form of main body necessary to boats of the diving type.

Q. Now, did you know what that *Protector* was, a photograph of which is in that same book; was that one of the Lake boats?—A. Yes, sir; I had forgotten that fact.

Q. So that you are mistaken in your answer to Mr. Olmsted?—A. I was.

Q. You have testified that with the exception of Naval Constructor Taylor's confidential report the other quotation made by you from confidential reports were obtained by you personally from officers in the Navy Department. Calling your attention to the marked paragraph on page 227 of your article relating to a confidential report by Lieutenant Nelson, and refreshing your memory from these paragraphs, can you not now say from what officer or officers you obtained the confidential report referred to by you? Will you please read it and answer the question?—A. In July of 1904, Mr. Nelson, then a lieutenant, made some diving experiments with the U. S. submarine *Porpoise* in the sheltered waters of Narragansett Bay. That is, in part, the result:

Having noticed frequently that while running on the surface in diving trim the boat's natural tendency was very strong to dive of her own accord, and considerable rising helm was required to hold her bow up, in order to find out whether or not she would assume a dangerous angle if allowed to follow this tendency we put the diving helm at zero (standing by to give a hard rise if her angle became too great). She took an angle of 7° very rapidly and went down. The angle then increased very slowly up to 8½ to 9°, where it remained until she was down about 15 feet by the gauge, when she suddenly started to right herself and rose to the surface at an angle of about 6 or 7°. When to the surface, she dived again, making as good a porpoise dive as could have been made with the helm. She continued making these dives, one after another, until stopped by the helm.

Q. Where did you get that report?—A. I really do not remember, sir.

Q. Did you know Lieutenant Nelson personally?—A. Yes, sir.

Q. Did you know him at the time he conducted this experiment?—A. I met Mr. Nelson in Newport in 1903 and 1904.

Q. This was in July, 1904; where were you employed at that time?—A. I was not employed.

Q. You had left the Navy Department?—A. Yes, sir.

Q. And had not been employed by the Lake Torpedo Boat Company?—A. I was not in the employ of the Lake Torpedo Boat Company.

Q. And had not been employed up to that time?—A. No, sir.

Q. What were you doing at that time?—A. I was at that particular time in July, 1904—I was up on Lake George.

Q. You did not see these, then, in Narragansett Bay?—A. I did not, sir.

Q. Did you visit Captain Fletcher, or talk with Captain Fletcher, during the fall months of 1904, or before you went to Europe for the Lake Company?—A. I saw Captain Fletcher.

Q. When and where?—A. Captain Fletcher was at the torpedo station when I was last there, which was June, 1904.

Q. That was before these experiments?—A. That was before that; I think, if I remember right, that Captain Fletcher was about to be detached and sent to sea.

Q. But you do not know whether he was there during the time or after these experiments?—A. No, sir; I can not recall.

Q. Did you visit that station after these experiments?—A. No, sir.

Q. Now, when did you call at the Navy Department, in the fall of 1904 or the beginning of 1905, as you remember?—A. Washington was my home, and I returned to Washington the last of September of 1904, and I was here continually until I left the city in November.

Q. 1904?—A. 1904; yes.

Q. So that you were here about two months?—A. Yes, sir.

Q. And you went to the Navy Department about how often during that time?—A. Probably every day.

Q. And at that time this report was somewhere in the files of the Navy Department, I presume, wasn't it?—A. It probably was, sir.

Q. What bureaus did you visit in the Navy Department during that time?—A. Bureau of Ordnance, Bureau of Construction, Bureau of Engineering, the Bureau of Supplies and Accounts. I went in all the offices where I should probably find any information that was of interest to the public. I was then writing principally on naval topics, and as matters came up I sought information.

Q. That was your business, then, general literary work?—A. Yes, sir.

Q. Did you prepare this article in your line of general literary work?—A. I did.

Q. For compensation?—A. No, sir.

Q. Got no pay for it?—A. No pay for it from anybody.

Q. Why did you prepare it?—A. Because I am interested in the art; I have always been a strong advocate of the even-keel type of boat; I believe it the best opportunity for development. I think the diving boat is gradually evolving into an even-keel boat, and that is the attitude I have pursued in the matter.

Q. In furthering that view, you went through the Navy Department and got whatever information you could to assist you?—A. In support of my view.

Q. To what bureau do you think the chief clerk would first refer this?—A. I really could not tell you, sir; I have never been a part of the chief clerk's office.

Q. You were in the Construction Department?—A. I was; but before I left the Department I had been assigned from 1898 to 1902, practically four years, to the office of navy war record, there in connection with the publication of the Navy war records.

Q. What bureau would have charge of those tests; what bureau of the Navy Department conducted those tests?—A. I do not imagine that any particular bureau conducted those tests; Mr. Nelson was the commanding officer of the boat and he was given full scope in the

of Engineering?—A. Yes; it would probably be of interest likewise to the Bureau of Navigation.

Q. Concerning the operation of the vessel?—A. Yes.

Q. So that each one of them would have some interest in this report?—A. Yes; probably all the officers in this Bureau that would have to do with those questions in any way would have access to them.

Q. Now, if this report went the usual round, as you said, and these officers had inspection of it, where would they place their copy of it, or copy of whatever they desired to be retained in their bureau, would those bureaus have files?—A. Each bureau has a file.

Q. Who has charge of those files?—A. They are under the chief clerk primarily, but their subordinates, I imagine, do the actual work of filing.

Q. Each bureau has a chief clerk?—A. Each bureau has a chief clerk.

Q. And this chief clerk has charge and custody of all the files of the bureau?—A. Yes, sir.

Q. Did you know the chief clerks of these bureaus at that time?—A. Yes, sir.

Q. So that you had an acquaintance that could help you in getting material for your work?—A. Yes, sir.

Q. Who is the chief clerk of the Bureau of Navigation; who was at that time?—A. In 1904?

Q. 1904, and early in 1905?—A. I think that Mr. Callahan was the chief clerk of that Bureau.

Q. Did you know him?—A. Yes; I have known him for years.

Q. Did you visit him at that time and inquire of him concerning this report?—A. I do not recall having spoken to him about it.

Q. Do you recall getting information from his report or in his office?—A. I do not recall, no, sir; not specifically. I have talked with various officers in that Bureau; I may have spoken to Mr. Callahan; I can not recall particularly.

Q. Do you recall whether they offered you access to these reports?—A. I do not recall that; no, sir.

Q. Do they do that ordinarily?—A. No; naturally not.

Q. Do they when you ask for it?—A. If you ask for information and there is no reason why you should not have it, they are usually very gracious.

Q. Even if it is marked confidential?—A. If it were marked confidential they probably would not.

Q. Do you know whether this was marked confidential?—A. No, sir; I do not.

Q. Well, now, who was in charge of the Bureau of Navigation at that time?—A. My impression is that Admiral Taylor was the Chief of Navigation at that time.

Q. Did you know Admiral Taylor?—A. I did know Admiral Taylor; yes, sir.

Q. Did you confer with him about this report and other reports?—A. No, sir.

Q. Had no conversation with him?—A. No, sir.

Q. Did you have any conversation with any other officials of the Bureau of Navigation than Mr. Callahan with reference to these

Q. Did you know Mr. Smith?—A. Yes, sir; had known Mr. Smith for years.

Q. Did you confer with Mr. Smith about getting information?—A. I do not recall ever conferring with Mr. Smith.

Q. You do not remember?—A. No, sir.

Q. So that you recall getting most of that information from the Bureau of Construction and Repair?—A. No, sir; I do not recall that fact.

Q. Now, what other bureau did you visit then?—A. The Bureau of Ordnance.

Q. Does the Bureau of Ordnance have charge of these operations?—A. It would naturally have to do with anything that had ordnance equipment, and these boats have torpedoes.

Q. Who is the Chief of that Bureau?—A. The Chief then, I think, was Admiral Converse.

Q. Who was the chief clerk?—A. I think Mr. Brandt was. I won't be sure at that time.

Q. Did you know Admiral Converse?—A. Yes, sir.

Q. Did you confer with him about getting information for your literary work?—A. I talked with Admiral Converse once or twice about submarine boats.

Q. Did he give you information that assisted you in the preparation of any of these articles?—A. He gave me his views about the subject.

Q. Did he give you any particular information that was on file with his Bureau concerning these things?—A. I do not recall that he did.

Q. If he had done that would you remember it?—A. I probably would, if he had specifically done so, because I had very little to do with Admiral Converse. He was new in the Bureau at that time, if I recall right.

Q. Do you recall specific information regarding these reports that was on file in his Bureau that he gave you?—A. I can not recall.

Q. Who was the chief clerk?—A. As I say, I think Mr. Brandt was at that time.

Q. Did you know Mr. Brandt?—A. I know Mr. Brandt; yes, sir.

Q. Do you recall talking with him about getting information concerning your work?—A. I talked with Mr. Brandt about submarines because Mr. Brandt knew that I had been interested in submarines. I do not recall whether Mr. Brandt gave me any information or not.

Q. Do you know whether he gave you a chance to inspect any of his records?—A. I do not recall it, sir; no sir.

Q. What other bureaus would have had charge of these reports you have named here—Navigation, Construction and Repair, Steam Engineering, and Ordnance?—A. Probably Supplies and Accounts might have some reason to have them; I can not recollect.

Q. Did you visit that Bureau?—A. I visited that Bureau.

Q. Who was Chief of that Bureau?—A. I think at that time Admiral Kenny was.

Q. Did you know him?—A. I had met him. No; I think Admiral Harris was Chief of that Bureau then.

Q. Did you know Admiral Harris?—A. I did.

Q. Is that the way you received yours, by typewritten address?—A. Yes, sir.

Q. And there was nothing on it to indicate, or about it, to indicate from whom it came?—A. Not the slightest.

Q. Did you ever make any acknowledgment to anybody concerning the receipt of this?—A. No, sir.

Q. And what arrangement, now, did you make with your friends in the Navy Department before you left concerning your getting this information?—A. Simply went around in a friendly way and said, "If anything turns up of interest on any subject, I am not stopped by my employment with the Lake Torpedo Boat Company in writing on any topics of naval interest." I said, "If anything turns up, send it along." I got other matter in the same way, nothing to indicate whence it came.

Q. Whom did you go to to have this conversation?—A. To all of the officers.

Q. Who?—A. I can not specify particularly.

Q. Did you go to Admiral Taylor and tell him that?—A. I do not recall saying that to Admiral Taylor, because our relations were very formal.

Q. Did you go to Admiral Capps and tell him that?—A. No, sir.

Q. Admiral Rae?—A. No, sir.

Q. Admiral Converse?—A. No, sir.

Q. Admiral Harris?—A. No, sir.

Q. So that you did not go to any of the heads of the Department or get any information from the heads of the Department concerning these matters?—A. Apparently not, sir.

Q. Did you go to Callahan and make this request?—A. I may have said it to Mr. Callahan.

Q. Do you know of receiving any information from Mr. Callahan in reference to that matter?—A. No, sir; I do not.

Q. Do you know of getting any information that should have come properly from the Bureau of Navigation that you received during this time in this manner?—A. I used to get the Bureau reports, I used to get the Navy Register, and the public documents in regard to seamen's apprentices and desire to enlist men and all that sort of stuff or ordinary things.

Q. Now, what other official or clerk in the Bureau of Navigation did you go to to get information?—A. I do not recall anybody in particular.

Q. If you had gone to anybody you would have remembered it, would you not?—A. With reference to that particular branch of the work, I would go to them and ask them for something within their province.

Q. Would you go to the chief clerk usually?—A. Generally first.

Q. Always?—A. I think so, primarily.

Q. Whatever information you got would come from the chief clerk?—A. It might either come from him or he would refer me to somebody who had the matter under his supervision.

Q. How do remember having referred to the Bureau of Navigation?—A. Well, I went there in connection with the matter of the award of medals for service during the Spanish-American war, and I think Mr. Alexander had charge of that. I went to see Mr. Kelsey,

Q. Did you have any correspondence or make any acknowledgment to any other person in the Bureau of Construction and Repair?—A. No, sir.

Q. During that time?—A. I do not recall any.

Q. Now, about Mr. Smith, in the Bureau of Steam Engineering. Did you receive anything from him?—A. I am under the impression that I received the Bureau's report; I am not certain.

Q. Did you receive any typewritten reports concerning affairs of that Bureau or information in that Bureau not contained in their printed reports?—A. I do not recall it.

Q. Do you know any other person in that Bureau?—A. I have known the principal officers in that Bureau off and on whenever I was in the Department.

Q. Do you know any other person in the Bureau of Construction and Repair outside of the Chief and chief clerk?—A. I was in that Bureau, sir, eight or nine years.

Q. So that you know——A. Most of the people in there that have not changed since I left.

Q. Now, who were they? Name everyone whom you knew while in the Bureau who had charge of matters there.—A. That I could tell you, sir.

Q. Do you not remember the names of anybody?—A. I remember the names of people that I knew; yes, sir.

Q. Who are they?—A. Some of the heads of the different divisions.

Q. Drafting?—A. Drafting division; knew Mr. Powell.

Q. What division?—A. He was C. and R.

Q. What do you mean by that?—A. He was Construction and Repair. And Mr. Besselievre, and Mr. Biddis, Mr. Hughes.

Q. Who was the first man?—A. Biddis; he is the clerk.

Q. What is his business?—A. Clerk in the Bureau.

Q. What had he charge of?—A. I think he had something to do with the ordinary correspondence; I do not exactly remember; or he had accounts, I do not remember which. The Bureau keeps its own accounts apart from the Bureau of Supplies and Accounts.

Q. He had a force of typewriters?—A. Yes, sir. I do not know that he had immediately under him a force of typewriters. The Bureau, I think, has generally a force that it draws on to do whatever work is required.

Q. Did you know Mr. Biddis well enough to request of him to get information?—A. I know Mr. Biddis as I know Mr. Besselievre—the result of years of intimate association.

Q. Did you request them to furnish you with information on this matter?—A. No, sir.

Q. Neither of them?—A. Neither of them.

Q. Mr. Hughes, did you say? What was his business?—A. Mr. Hughes was the letter clerk. I think he wrote most of the letters.

Q. Did he have a force of stenographers under him?—A. He wrote them himself.

Q. Did you know him well?—A. Very w

Q. Did you get any information fro

Q. Did he have charge of any o

furnish you with any of this infor

He had the office correspondenc

through an inspection of the plans and drawings of the boat?—A. I can answer that without seeing that. That information was given me by a foreign officer.

Q. Who was that foreign officer?—A. I can not tell you, sir.

Q. Why?—A. Because he got it in a diplomatic manner, as a diplomatic representative.

Q. How do you know?—A. Because he was an accredited representative of his Government.

Q. And how did you know that he got the information?—A. Well, I can not answer that. He was an official of his Government.

Q. And he told you in a confidential way?—A. Not a confidential way. He told me as a statement of fact.

Q. But how did you obtain this information—these drawings and photographs?—A. I testified in regard to that yesterday, sir; they came through the usual file of the office.

Q. Of what office?—A. Lake Torpedo Boat Company. The information that related to submarines, anything material, foreign or otherwise, that came into the company's possession in any manner was referred to me at my desk.

Q. So the information concerning the drawings and photographs you got from the Lake Torpedo Boat Company in the regular course of your business?—A. Yes, sir.

Q. But the confidential communication concerning the *Octopus* and its construction you got from a diplomatic officer?—A. Yes, sir.

Q. I ask you again the name of that officer?—A. I can not give it, sir.

Q. I ask you what he told you?—A. He told me that the Holland people were going to put their driving shaft at an angle in order to offset the tendency of the boat to plunge; that they thought perhaps by giving that shaft an angle it would produce that effect and enable them to control the boat on a more even keel.

Q. Where did he tell you that?—A. In Europe, sir.

Q. Whereabouts?—A. In London, sir.

Q. Where were you?—A. In London.

Q. At what place?—A. At the company's office. That is, I was stationed at the company's office.

Q. At the Lake Torpedo Boat Company's office?—A. Yes; but it was not told me in the Lake Torpedo Boat Company's office.

Q. Where was it told you?—A. On the street. I met the man.

Q. On the street?—A. On the street.

Q. What street?—A. Regent street.

Q. What part of the street? About where is it located?—A. Well, it was somewhere between Piccadilly circus and Oxford circus.

Q. About what time was this, within a month or a year?—A. I take that back, sir; it was not; it was another matter that I had in mind; it was in Holland.

Q. Whereabouts?—A. At The Hague.

Q. About what time?—A. I think it was in April.

Q. 1905?—A. 1906.

Q. Where was this; at what particular place at The Hague?—A. This was in the navy department.

Q. Navy department of the Government of Holland?—A. Yes.

Q. Whereabouts; what part of the navy department?—A. Well, I can not answer that, sir, because when I was there I appeared be-

Q. Who is he?—A. Captain Wall was his name. I discussed submarines with him; in fact, we lived in the same place for some weeks, in the country.

Q. Did he have information concerning the *Octopus?*—A. I do not recall that he had any specific information regarding the *Octopus;* he had knowledge of submarines and we discussed submarines.

Q. Had he been in this country?—A. That I could not tell you, sir.

Q. That was the only thing that you recall that fixed in your mind at first that you got this information in London?—A. That was the idea.

Q. He is the only man?—A. He is the only man.

Q. Do you recall a conversation that you had with him on Regent street concerning submarines about the time that you were interrogated at first?—A. I met him on Regent street during the daytime, several times; I do not remember any particular line of conversation; we were neighbors, as I say, in the same house.

Q. Now, how long was it that you were in London and conferred with Lieutenant Wall after you went to Holland and had these various conferences with the Dutch officers?—A. That was prior to that. We moved the company's office in April of 1907 to London, and I stayed there until November of 1907.

Q. Now, all the information concerning the plans that you have here, the photographs of the plans and drawings and various things of that sort, did this Dutch board seem to have?—A. That I do not know, sir.

Q. Now, exactly what information did you get from that board?—A. We discussed, as I say, we discussed the matter generally; we were down there to explain the features of the Lake boat, and Mr. Costa had been over here. I know that Mr. Costa had discussed matters with Mr. John P. Holland at that time, and I think Mr. Costa had also discussed matters with the Electric Boat Company, and when I saw Mr. Costa in Holland he had passed practically out of the active service of his own Navy, and was really in the employ of a shipbuilding firm building the Holland boat for the Dutch Government.

Q. So that he was out of the Navy?—A. He was out of the Navy and had, of course, probably a better chance than anybody to have had a knowledge of the Holland boat.

Q. He was not in the diplomatic service while he was over here, was he?—A. He came over here commissioned by his Government.

Q. To do what?—A. To inquire into the submarines.

Q. Did you have reference to him when you said that this information was obtained through the diplomatic service?—A. I had him in mind; yes.

Q. Although at first your recollection was that it was given you——A. That it was some one else.

Q. So that it is probable that you obtained that information from him, is it?—A. It is not unlikely; I am not certain, sir. As I say, the matter was discussed openly in the presence of these three officers. Each and every one of them had some knowledge of the state of the art in the United States, a pretty thorough knowledge, but which one it came from I could not tell you.

Q. Had the others been here and obtained information from the United States?—A. That I could not tell you.

any question of confidence or the breach of confidence have I disclosed it in any manner.

Q. I would like to have you just show clearly what was in your mind when I first asked you concerning the source of this information and you told us it came from a diplomatic source. What did you mean by that?—A. I look upon any officer detailed by his Government to come here in a capacity to inquire into naval matters as being essentially diplomatic.

Q. Now, what officer did you have in mind?—A. I had in mind Lieutenant Costa.

Q. So that as a fact you are willing to state now that he was the source of this information?—A. No, sir; I will not state that. I may have thought at first that he might have given it to me. As I try honestly to recall I only remember that the matter came up during the discussion before those three officers.

Q. At that time that you were conferring with the Dutch board, or the board in Holland, concerning the submarines you were desirous of selling your own vessels—that is, the Lake boat?—A. We were down there by reason of an invitation, or an arrangement, with the Dutch authorities to present to the Dutch officials the directions in which the Lake boat had been improved since Mr. Costa had been in the country and had examined the *Simon Lake 10th.*

Q. In presenting your proposition to this naval board you presented, of course, the best phases of your construction?—A. Yes; openly.

Q. And you criticised the construction of your competitors?—A. I do not recall that.

Q. You discussed the construction of your competitors?—A. That may have been mentioned. I do not think it was to any extent. The primary purpose was merely to show wherein the Lake Company had made improvements since Mr. Costa had seen the *Simon Lake 10th.*

Q. So you do not think that the construction of your competitors was discussed at all at that conference?—A. It may have been discussed, but it was not the purpose for which we went there.

Q. Was there more than one conference?—A. There were three different conferences.

Q. Covering what space of time?—A. One was one day, and one was the better part of two days following.

Q. About how long were they, each session?—A. One session occupied about an hour or so in the morning, and then it turned into a general discussion of naval topics. With the departure of the chief constructor the board ceased to act as a board and simply discussed the matter generally. The next day there were two officers finally—three in the opening, if I remember right—and we spent the better part of two days at that.

Q. These same officers with you?—A. Yes; but on a different occasion.

Q. Who was present besides these officers and yourself?—A. One of the employees or rather one of the representatives of the Lake Company.

Q. Who?—A. His name was De Renzis.

Q. Where is he now?—A. He is in Italy—Baron De Renzis.

Q. He is representing the Lake Company there?—A. Not to my knowledge.

Q. Did you try to verify it through your company?—A. No, sir.

Q. You just wrote it out upon that information, and none other?—A. That is all, because I knew that in all probability the Dutch Government had knowledge, or the Dutch officials had knowledge, of the Holland boat, inasmuch as they were building one of them.

Q. You do not know whether it was correct or not?—A. I do not know whether it was correct or not.

Q. Although you knew it was confidential?—A. That I did not know. It was stated to me as a fact.

Q. Did they state to you that it was confidential information?—A. No, sir.

Q. But you knew under the general practice it was confidential information?—A. I should not have construed it as such, because I did not know the manner in which it was acquired.

Q. What book were you reading from there under the interrogations from Mr. Howard and Senator Thurston?—A. Commander Sueter's.

Q. What is that?—A. That is a book on submarine boats, published in England.

Q. Who is the author of it?—A. Commander Sueter.

Q. An English naval officer?—A. An English naval officer.

Q. Of high technical skill, is he?—A. I should imagine so. He was the first commander of the British submarine *A1*.

Q. Is that book considered a high authority on the subject of naval architecture?—A. In submarines, yes; it is considered by the British as the most authentic work that has been published on the subject.

Q. How is it considered in this country?—A. I do not know.

Q. Are many copies used in this country, do you know?—A. I do not know.

Q. Is it used at all in this country, do you know, for naval construction?—A. I imagine in the technical libraries you will find one or more copies now.

Q. It is not a popular work?—A. It is not an extremely popular work. It is a work that people interested in the art would read.

Q. So that the ordinary person would not know much about it?—A. Probably not, unless he was interested in the subject. I have seen a good many civilians who took an interest in naval matters and had quite an extensive naval library.

The CHAIRMAN. The committee will now take a recess until 2 o'clock, and the witnesses will all be here at that hour.

AFTER RECESS.

The committee met at 2 o'clock p. m., pursuant to the taking of recess.

TESTIMONY OF ROBERT G. SKERRETT—Continued.

By Mr. STEVENS:

Q. When you received those typewritten communications abroad what did you do with them?—A. I put them on the file of the office for the time being, and whether they were ultimately destroyed or not I do not remember.

Q. Is this Journal of Artillery supervised by the military authorities of this country?—A. I really can not answer that. I think probably there is some relation between the editorial staff of the Journal and the academic authorities at the institution.

Q. Does it not place all Government and Navy departments at a disadvantage when reports or excerpts are taken from its reports, more or less confidential, so that foreign governments can read them as a matter of record in these semimilitary journals?—A. That would depend entirely upon the scope of the material.

Q. Do the foreign governments have this same information?—A. They have a great deal of similar information. They get that stuff through their naval attachés and military attachés.

Q. Do they get the same information from foreign countries?—A. Yes, sir.

Q. Do they allow it to be published, or does this Government? Have you noticed any publications containing similar excerpts pertaining to foreign naval service?—A. I have seen some extracts; yes, sir.

Q. In what?—A. In the various service journals and technical journals abroad.

Q. Have you seen any in this country?—A. I can not recall any within my immediate knowledge.

Q. Those matters are not published here to the extent they are abroad, are they? There is not as much discussion?—A. There is this distinction, that we are practically isolated here, and on the Continent the countries are all neighbors of one another and so close to one another that they naturally do their utmost to find out everything they can about their neighbor in order to maintain their standard, and you frequently find in the foreign publications there extracts from official sources.

Q. Do not you consider it as reprehensible that these publications, or these journals or journalists, should endeavor to extract and publish matters of confidence for the defense of our country?—A. It depends entirely whether it was done with the object of promoting the art or whether it was done for the purpose of betraying a weakness.

Q. What difference is there, if it is something which the military and naval authorities think ought to be kept in secret; does it make any difference to the public welfare?—A. I think so, sir.

Q. Do not you consider that it is a serious injury to our naval defense to have the secrets of our Navy Department pried out in some way and then spread to the gaze of the foreign governments?—A. I should say it would depend entirely on how far that was carried, sir.

Q. If it concerned the mechanism of the submarines upon which our Government relied for coast defense?—A. If the suppression of that information is permitting the Government to commit an error which might involve loss of life, loss of material, or a weakness in the hour of need, I should say that it was not reprehensible.

Q. Do you consider that as a citizen it is your privilege to decide what is best for the naval defense or military defense, although your opinion and action opposes or infringes on, or, rather more than that, if it operates in a hostile way to the plans of the constituted authorities?—A. I think that is the spirit of the nation, one of criticism as criticism.

article?"—A. Because I think, as a rule, I did not have but what I used. My impression is that I did not have anything but extracts.

Q. "Was it not because they were, taken as a whole, favorable to the Holland or diving type of submarines?"—A. As I have explained, those things came to me absolutely without any knowledge of their source.

Q. The extracts only came to you?—A. Yes, sir. If they came in that form they may have been sent because they seemed to bear on certain particular points, and inasmuch as they bore on those points I found them useful.

Q. Did these envelopes which contained these articles contain information of anything else, any other matter?—A. No; I do not recall that they did.

Q. Did they contain reports of the War Department?—A. No, sir. I had no interest in the War Department.

Q. Just reports of the Navy Department?—A. Yes, sir.

Q. And they contained only portions of reports which concerned the type of submarine in which you were interested?—A. They contained portions of reports, as far as I remember, only of the submarines in the United States service.

Q. And only of portions of those reports on the side in which you were interested?—A. Well, no. They were simply parts of reports showing certain features, certain performances.

Q. Let me get at it so you can understand what I am driving at. The report of Lieutenant Nelson contained certain favorable facts as to the operations of the boat he was experimenting with; it contained certain criticisms of the actions or construction of that boat, or both a commendation and a criticism.—A. I really do not recall that.

Q. You do recall the criticisms?—A. I do recall them, because there is what I used.

Q. Do you recall the point of the criticism or the commendation of the type of boat, or the vessel itself?—A. I do not.

Q. Would not you remember if it had accompanied it?—A. I would probably remember, and then again I might not. I know Mr. Nelson has commended the boat. I know he probably had the best reasons for doing it.

Q. Then you were working with a particular theory in view and only used or desired whatever appeared in the report to substantiate your theory?—A. I only used what bore out my idea.

Q. And anything that opposed or controverted your theory you did not use and did not desire.—A. It would not have had any point in the argument.

Q. Anything that opposed your theories or the purpose of your argument you would not use?—A. I probably should have qualified it if I had had that information.

Q. So the chances are that only that part that sustained your views—that is, that criticised that type of construction—was what reached you?—A. That I can not be certain of. I can not answer that, sir.

Q. In talking to your friends in the Navy Department, or making whatever arrangemetns or reaching whatever understanding you did reach that this information should be sent to you, did you suggest or

Q. And you have not attempted since that time to verify it?—A. I have not.

Q. And you have taken that as the absolute truth and based your articles upon such statement?—A. Yes, sir.

Q. Have you ever had any information as to whether those articles or extracts are true?—A. No, sir; I never have received any criticism in any way.

Q. Have you ever checked them up yourself and examined any official records to know whether they are true?—A. No, sir.

Q. Have you ever had any conversation with naval officers in the Department to know whether the extracts that were sent you were correct and based upon facts?—A. No, sir. I concluded that as no one had sent anything, that they were probably true.

Q. Mr. Littleton asks: "Did it never occur to you to look up the sources of this information?"—A. It never did.

Q. You were entirely satisfied with whatever information you got?—A. I did not know where to go. Do you mean to find out who had sent it to me?

Q. Yes.—A. I had no idea where to go.

Q. About how often would you get these envelopes?—A. There was not any periodicity about them.

Q. Where did you remain during all the time that you were in Europe? How many different places did you live?—A. I was permanently in Berlin.

Q. That was your headquarters?—A. That was my headquarters.

Q. You went to The Hague?—A. Yes, sir. I went to Russia.

Q. You went to St. Petersburg?—A. No, sir; I went to Libau.

Q. How long were you there?—A. My impression is during both trips I was away from Berlin between three and four weeks.

Q. Did the envelopes come to you at Libau?—A. No, sir.

Q. Did any come to you at The Hague?—A. No, sir.

Q. Did any reach you at London?—A. I am under the impression that I did receive some information in London.

Q. About how many did you receive in Berlin?—A. I really could not tell you.

Q. You were there a little over or about a year and a half?—A. I was there sixteen months. Then I came back here, and went back to Berlin in December, and got there the 1st of January, about, and remained there until April.

Q. Have you received any of these communications in this country?—A. No, sir.

Q. "As they came to you without knowledge of their source, how did you know they were official records from the files of the Navy Department?—A. Simply the statement.

Q. This typewritten statement?—A. That is all.

Q. And you say you have not received any since you have been in this country?—A. No, sir.

Q. Were they addressed all to your Berlin office, or did they follow you, or did they show the London address also?—A. Whenever they came they came to the office.

Q. Which office?—A. The company's office.

Q. Which office?—A. The company's office—the Electric Boat Company's office.

Q. That was in London?—A. In Berlin.

not understand anybody sending information that was apt to be erroneous.

Q. A question by Mr. Littleton. "Who in Washington knew your address in Berlin and knew when you would be in London?"—A. That I can not tell you.

Q. Had you any relatives in Washington?—A. Yes, sir.

Q. Who?—A. I have a married sister.

Q. Living here in the city now?—A. Living here now.

Q. She knew your address?—A. Yes, sir.

Q. Had she any communication with the Navy Department?—A. None whatever that I know of.

Q. Is she related in any way to the Navy Department?—A. None whatever.

Q. You say your family were formerly connected with the Navy?—A. Yes, sir.

Q. Your friends in the Navy Department would know your address, some of them?—A. Yes; those to whom I wrote for reports.

Q. Who did you write to; to whom did you send letters?—A. I wrote to various people in the Department for the departmental supplications.

Q. What persons did you write to in the Navy Department, personal communications or any other communications?—A. I wrote to the chief clerk of construction, and he sent me some of the Bureau's reports.

Q. That is Mr. Bessellievere?—A. I think it was Mr. Schaefer then. Mr. Schaefer succeeded Mr. Bessellievere. He was in charge when I left the city.

Q. And he was succeeded by Mr. Schaefer?—A. Yes, sir.

Q. He was there at the time you were abroad?—A. Yes, sir.

Q. Did you know Mr. Schaefer before you went?—A. I did.

Q. And you wrote him?—A. And I wrote him.

Q. And he knew your address?—A. He knew my address.

Q. Was there any other person in the Bureau of Construction to whom you wrote?—A. I do not recall writing to anyone else.

Q. Do you know anybody who wrote you during that time?—A. No, sir; I do not.

Q. Do you know of anybody who knew your address during that time, who was in the Bureau of Construction?—A. I could not tell you that.

Q. What other persons in the Navy Department did you write to during that time?—A. I wrote to Mr. Callahan, asking him to send me a copy of the Register and the annual report of his bureau, and any other publications that he was free to distribute.

Q. And he sent them to you?—A. He did at various times.

Q. So that he knew your address?—A. Knew my address.

Q. Was there any other person in the Bureau of Navigation who knew your address?—A. I could not tell you.

Q. Did you write to any other person in the Bureau of Navigation?—A. I do not recollect having done so.

Q. Did you write to anybody in the Bureau of Steam Engineering?—A. I think I sent one personal letter to Mr. Sicard.

Q. Did he reply?—A. He did not. I wrote him approaching my return to the States. I used to send him post cards from various places.

Q. Then you were satisfied not to know, weren't you?—A. I was content not to know.

Q. Wasn't it extremely agreeable not to know who who sent them to you?—A. Well, I don't know about that. I simply did not know.

Q. You did not know they were correct—you did not know they were accurate, did you?—A. Do you mean, if I had been called upon to certify that they were correct I could have done so?

Q. Yes.—A. No, sir; I was not in that position.

Q. You did not know whether they represented the exact truth, or the whole truth, of occurrences that they referred to, did you?—A. No, sir.

Q. You did not try to find out?—A. I had no way of finding out.

Q. You could have compared the reports.—A. If I had come back here, but I was out of the country.

Q. But after you arrived in the country you did not try?—A. I did not.

Q. And you did not care to try?—A. If I had heard—I thought that certainly somebody would criticise.

Q. But in writing technical articles like these, didn't you try to put out the exact facts concerning the things you wrote about?—A. Yes; as far as I can.

Q. Didn't you try to get at the sources of information?—A. As far as possible.

Q. Didn't you try to check up and find if your information was accurate and correct?—A. Generally.

Q. Then why didn't you do it in this case?—A. Because I was out of the country.

Q. After you arrived in the country why didn't you do it?—A. There was no object in doing that. I had published the article.

Q. You were satisfied to let it go then?—A. I felt reasonably sure it must have been correct.

Q. You have been in the country now over two years?—A. No; I have been in the country only since the middle of November.

Q. You have been down to the Navy Department several times since?—A. Yes, sir.

Q. And talked with these various gentlemen whose names you have given us?—A. Yes, sir; I have been in to get copies of Bureau reports.

Q. Did you ever intimate to any of them that you had received these mysterious missives?—A. No, sir.

Q. You never told anybody that you had received this information?—A. No, sir.

Q. So that you did not ask anybody if any such information had been sent out?—A. No, sir.

Q. Did you ask any of them to see these reports?—A. No, sir. I considered them old and having no present bearing.

Q. When did you say you resigned your employment with the Lake Company?—A. When I left London, the 1st of November.

Q. And your employment ceased at that time?—A. Yes, sir.

Q. You have had no connection with them since?—A. With single exception of having the pictures and having these for the post cards.

that if a company is building a boat at its own expense to enter a competition of that sort, without having immediate prospect of profiting by a purchase, they would naturally try to make that boat as cheap as possible, and in making it cheap it probably would fall below the possible maximum standard that could be produced by those people, and to that extent I do not——

Q. On the other hand, a company, if it knew that it would get valuable contracts if it would put forward the best possible boats, and was superior in the test—would put forward their best endeavor to excel in these tests if it knew that if it won it would get a contract—isn't that a motive that would inspire the concern to do the very best it could?—A. That would depend upon whether they were all put on the same basis.

Q. Supposing they were all put on the same basis of competition, such as the tests that were had a year ago?—A. I do not think that is the fact.

Q. I am not discussing the fact as to whether they were on the same basis, but assuming that they were. Wouldn't it be an inspiration to the builders to do the very best they could in preparing a boat for the test if they knew that if they won out they would get a contract rather than if they knew that if they won they would not know whether they would get any contracts or not?—A. The only way I can answer that is by telling the manner in which the competitors in the test acted. The subsurface people built a very small boat that could not possibly be expected to show what that type of boat is susceptible of when built in a full-sized form. Their purpose, as I gather it, was merely to show the working principle of their vessel, and if that proved satisfactory then upon the basis of that they would be willing to bind themselves by a contract promising certain performances. So far as the Lake people are concerned, they practically did the same thing. They built a boat at their own expense, but they could not afford, probably, to go to the expense of producing a boat that could meet in points of speed the standard set by the *Octopus*, which had been built for the Government. All they wanted to show, as I gather it, was the working principle upon which their boat was intended to operate.

Q. So they did not try to build the best kind of boat they could?—A. No, sir; I imagine they did not. I am quite certain of it.

Q. And you think that the *Octopus* was the best possible type of boat that could be developed in that type?—A. I do. You mean up to the present state of the art? They are probably going to do better; I know they are.

Q. If a concern does the very best it can, with the hope and expectation of getting profitable contracts if they win, does not that tend to make them produce the very best boat they can, naturally?—A. Oh, yes, yes.

Q. If that plan be adopted, is there anything reprehensible or corrupt in the conduct of persons who favor that sort of action?—A. It is merely a difference of opinion; that is all. That is the only way I gather it.

Q. So far as the public concerns are affected, it is not criminal or corrupt or even reprehensible, is it?—A. I should not construe it that way; no, sir.

Q. Wherein do you disagree with that board with reference to the questions propounded you in the Senator's question?—A. I disagree with the finality of the board's findings in regard to the question of hydroplanes.

Q. Is that the only disagreement you have with them?—A. My remembrance of the conclusions of the board brings that one point to my mind.

Q. Are there any other points that are brought to your mind now that the question is asked you?—A. I think in regard to the superstructure that I would disagree with them upon that—not the superstructure as applied to that particular boat, but, as I read the report, their general condemnation of the superstructure. I may be wrong about that. I should prefer to see the report before going——

Q. You may be wrong about it. Of course you know that the board was unanimous in its recommendations?—A. Yes, sir.

Q. In the report of the Board of Construction of the Navy Department, which subsequently passed upon this report of the special board appointed to take charge of this test, I find this language: "It is the unanimous opinion of this board," speaking of the Board on Naval Construction—not the board that attended the trials—"that the *Octopus* is a superior boat presented for test, and furthermore that she is equal to the best boat now owned by the United States or under contract." Do you disagree with the finding of the Naval Board?—A. That the boat was equal to herself, which was the competitive boat?

Q. No, sir; upon all the points upon which they were called to pass with reference to the legislation in the naval bill of 1907?—A. I think that the *Octopus* was superior to the boat presented by the Lake company.

Q. But you state you disagree with the Senator only on two points, as I remember?—A. In the details.

Q. But that was the question which the Navy Department had to decide, the question of details.—A. No, sir.

Q. What I want to get at is, the Senator disagrees with those two boards; you seem to concur with the Senator in most of his contentions, and you seem to agree with the board in some of its contentions. I want to get specifically in this record wherein you disagree with those two boards of experts and wherein you agree with the Senator.—A. In manner of detail.

Q. What details?—A. In the detail, as I stated, of the hydroplanes. I do not consider that the boat was a fair example of what hydroplanes can do with a boat. I do not consider that the boat that the Lake Torpedo Boat Company submitted was a fair example of what can be accomplished in the vertical movement of a vessel by the means of hydroplanes. Mr. Spear has testified himself that the hydroplanes of the *Octopus*, that he put them there only for ocular demonstration, but the point which would establish that they were not worth anything in this vessel when she reached a speed of 5 or 5½ knots, and failed to respond to the control of the hydroplanes—but up to that point I agree with Mr. Spear, and I think Mr. Spear could have carried his argument a little further and it would not have been so conclusive. He built a diving boat, a boat that was not intended to go down by the bow. Hydroplanes fixed in such a manner that they would move in unison will not control the horizontal action of the

Q. How long did you stay there?—A. We were away from Berlin the better part of a week or ten days.

Q. Where did you stop there?—A. At the Hotel St. Petersburg.

Q. From that place where did you go?—A. Returned to Berlin.

Q. How long did you remain in Berlin at this time before making another trip?—A. I think I was there about a month or so; then returned to Libau to be present at the trials of the boats.

Q. Did you stop at the same place?—A. At the same place.

Q. Then did you return to Berlin?—A. Returned to Berlin.

Q. From Berlin, where did you go?—A. In July, 1906, I returned to Berlin.

Q. Didn't you go to London during that trip?—A. In coming back.

Q. I want to locate your itinerary.—A. In making the trip from Berlin I went by way of Flushing to London, took a steamer at Southampton.

Q. When did you go to The Hague?—A. In April.

Q. You skipped that in describing this trip.—A. Oh, well——

Q. I want to know what places you went to.—A. Then The Hague. I went to Brussels on the way to The Hague.

Q. About what time did you go to Brussels?—A. I was in Brussels, I think, early in April, if I remember rightly. It may have been the latter part of April.

Q. Then, where else did you go?—A. From Brussels I went to The Hague, and I was there the better part of three days, I think—three or four days, and then I returned to Berlin.

Q. Suppose you answer this question: Where did you land in Europe upon that trip? And describe the places you visited from Berlin until you returned to this country. I want to get it straight.—A. I landed at Antwerp, went from Antwerp to Brussels, from Brussels to Cologne, from Cologne to Hamburg, from Hamburg to Berlin. And there the office was established. I got there in March, 1905. In July, I think it was about the 4th of July, we went to Libau. We were away from Berlin about ten days. We returned to Berlin and stayed there until some time in August, I think about the 1st of August. We returned to Libau then to conduct the acceptance trials of the vessels built. Came back from Libau and remained in Berlin until the following April; the latter part of April, if I remember right.

Q. April, 1907?—A. 1906. Then I went to The Hague.

Q. But you said July a while ago.—A. No; pardon me. You wanted this itinerary. I went to The Hague and was there the better part of three or four days, going by way of Brussels, and returned from The Hague to Berlin. From Berlin again I went with Mr. Lake to The Hague. We were there some days—I do not remember exactly how many; then we returned to Berlin. In July following we went to London to take the steamer for the States. We returned here, coming back, I think, about the 15th of July.

Q. The Lake company did not have any offices in Berlin until after you got there?—A. Not until after we got there.

Q. But you established those offices while you were there?—A. Yes, sir.

Q. Did you know before you left where those offices would be located?—A. No.

Q. You stated in some of your testimony that before leaving you went around to the Departments and bade good-bye to your friends there. Did you tell them if there was anything new turned up to send it along? Where did you tell them to send it?—A. By way of the company's offices here in Bridgeport.

Q. You said in another statement that the letter that carried this information to you was a typewritten address, and there was no writing on it?—A. No, sir.

Q. How did they typewrite the new address from Bridgeport to the point where you received them?—A. That was not typewritten.

Q. But you said it was not in writing.—A. That is my mistake.

Q. Whose handwriting was it?—A. One of the clerks in the office.

Q. Which clerk?—A. I don't know.

Q. Where did he send it?—A. He sent it first to the company's office, which was established in April.

Q. The Lake company's office in Bridgeport sent it to you at the Lake office in Berlin?—A. Yes, sir.

Q. So there was some handwriting on the letter?—A. Just the redirection.

Q. You said specifically that the only mark on it was the stamp at Washington and that there was not anything on the envelope outside of a typewritten name. Explain that.—A. I can not explain it, except that in writing ultimately—you mean why was there a change?

Q. Yes.—A. In writing ultimately to my friends in the Department I wrote from the company's address.

Q. Why didn't you tell that at first when you were specifically examined as to what was on the envelope?—A. That is my oversight; that is all.

Q. What address did you give to these friends at the Navy Department?—A. I simply said any letters sent to me by the Bridgeport office will reach me.

Q. Then you said you wondered when you got these documents, in another part of your testimony.—A. Yes, sir.

Q. What made you wonder when you had left word with everybody to send you anything that came along?—A. I did not know who had sent them.

Q. That made you wonder?—A. Yes, sir.

Q. You had asked a lot of people in the Navy Department to send you a lot of things and then you wondered who sent them?—A. Yes, sir.

Q. And then wondering you did not try to find out who sent them?—A. Yes, sir.

Q. I believe you said in another part of your testimony that you said you didn't know where you could have found out where these documents came from.—A. I did not know.

Q. You had left word with the Navy Department to send you literature that applied to the Navy Department, and then you didn't know where you could find out who sent it to you?—A. In saying that I said to my friends, "If anything turns up of interest send it along. I will be always glad to get it," or words to that effect. I did not specify anything.

Q. But they knew what you wanted?—A. I could not say they did.

Q. They sent you what you wanted?—A. Somebody did; I don't know who.

Q. You don't know who?—A. No, sir.

Q. You did not try to find out?—A. I did not.

Q. The information was valuable to you?—A. It seemed to be instructive.

Q. It was valuable as well as instructive?—A. Yes, sir.

Q. You did not try to find out the Good Samaritan that was distributing this?—A. No, sir.

Q. You are sure they did not come from the Lake company?—A. No.

Q. You are quite sure of that?—A. I have no reason to know from whom it came.

Q. They did not see this article that you wrote in the United States Artillery Journal?—A. No, sir; not until after it was published.

Q. They never told you that they read it, any of them?—A. That I can not say.

Q. They never approved of your writing it?—A. I do not think they approved of it.

Q. You do not think they did?—A. No, sir.

Q. There are some coincidences here I would like you to enlighten me on. If they did not approve of it, will you kindly tell me how these coincidences happened? At page 54 of the circular, published by the Lake Torpedo Boat Company at Bridgeport, Conn., appears a picture, showing "The action of long-tubed instruments in a diving boat," and in the article in the Journal of the United States Artillery, on a page between pages 232 and 233, appears the identical photograph, marked "Fig. 3. Effects of oscillation on use of sighting instruments."—A. Yes, sir; I made that drawing.

Q. How does this coincidence happen, that if the Lake company did not approve of your writing the article in the Journal of the United States Artillery——A. It occured in this way: I made that drawing for the catalogue——

Q. For the catalogue?—A. For the catalogue, and, having a copy of it, I sent it, with some of the text, to the editor of the Journal of the United States Artillery.

Q. There is another coincidence at page 87 of this circular of the Lake Torpedo Boat Company, where appears this language: "Sir William H. White, K. C. B., has this to say in regard to the diving boats and their weaknesses: 'It is not possible to secure the power of diving rapidly without accepting the risk of going to the bottom before the enemy is reached.'" In your article in the Journal of the United States Artillery, page 249, I find this language: "Surely very grave risks will be run in getting a boat of that type anywhere within striking distance of an active enemy, and one can not help but recall what Sir William White has said in his able article upon submarines in the London Times of 1905: "It is not possible to secure the power of diving rapidly without accepting the risk of going to the bottom before the enemy is reached." How do you explain this coincidence?—A. How do you mean to explain this?

Q. If the boat company did not approve of your article in the Journal, how does it come that you have introduced that in both their advertisement of their wares and your article in behalf of art?—A. In the same case, if my recollection serves me right, the primary objection that they had to my argument was that it was too controversial.

Q. Or altogether in Berlin?—A. No; first in Berlin, and I completed it in the United States; that is, I went over it and smoothed it up.

Q. And no officer of the boat company knew anything about your magazine article in the Journal of the United States Artillery?—A. Until it was published.

Q. And then it disapproved of it?—A. Yes, sir.

Q. And the reason was what?—A. Because it was apparently too controversial.

Q. I did not think that they would object to any controversy.—A. I would much prefer to let the company answer that.

Q. The date of your argument published in behalf of the Lake Torpedo Boat Company is in September, 1906?—A. That is when it was started; that is when it was first put into the hands of the printer.

Q. That is the date marked upon it.—A. Yes, sir.

Q. And the date of this article of yours in the Journal of the United States Artillery is November-December, 1906—A. Following.

Q. So the circular was out first, and then the magazine article supplemented it?—A. Yes, sir.

Q. And you wrote both of them?—A. I wrote both of them.

Q. What was this circular for of the boat company?—A. The company must answer that.

Q. Do you know where it went?—A. No.

Q. You did not have to attend to that as you did the postal cards?—A. I did not.

Q. You say you got the plans that are published on——A. Diagram showing the curves of resistance.

Q. From the regular channels in your office?—A. Yes, sir.

Q. That is, the boat company's office?—A. Yes, sir.

Q. Who gave them to you?—A. They were brought over to my desk in the ordinary course of business, just as any information would be brought to it.

Q. Where could they have been gotten?—A. That I do not know.

Q. Where are they on deposit?—A. If they are anywhere they are in the company's possession at Berlin.

Q. I am not talking about the particular set that was brought you, but I mean the originals from which they were made?—A. That I do not know.

Q. In the ordinary course of business where would they go?—A. They might be in the Bureau of Construction, they might be in Mr. Taylor's own files. Mr. Taylor made that report, Naval Constructor Taylor.

Q. Isn't he in the Navy Department?—A. No, sir; he is a resident of the navy-yards, in charge of the——

Q. You do not know whether they got them from the navy-yard where Mr. Taylor was or at the Navy Department?—A. No, sir; I do not.

Q. But the source was from naval authority?—A. So far as I know, I only know that the matter was left on my desk.

Q. You worked nine years in the Navy Department. Plans, documents, drawings of battle ships, and other boats, and contracts go to

Q. A pitiful condition in a small Government like ours, isn't it?—A. The fact remains that that was the case.

Q. Did you see any other confidential document on that occasion?—A. I did not know that they were confidential until I was told that they were the plans of the Lake Torpedo Boat Company, and I assume that they are just as confidential as the others.

Q. None of them were ever turned over to you while you were in the service of the Navy Department?—A. No, sir.

Q. You did not have the keeping of any of them?—A. No.

Q. Who had the keeping of them while you were there?—A. I do not recollect.

Q. Who was the gentleman of whom you were speaking?—A. This was only the other day; a few weeks ago.

Q. Who was that gentleman?—A. Chief clerk of the Bureau of Construction and Repair.

Q. What is his name?—A. Mr. Schaefer.

The CHAIRMAN. Is there any other member of the committee who desires to ask any questions?

Q. Here is another question by Mr. Littleton: "Do you think that your four years' experience with the Lake company, the most of which was spent abroad, qualifies you to criticise the findings of the American board and the board of construction?"—A. Yes, sir.

Q. And you do criticise their findings?—A. I have done so.

The CHAIRMAN. Is there any Member of the House of Representatives present who desires to ask this witness any questions? Is there anyone else present, either in person or by counsel, who desires to submit any questions to this witness?

Mr. THURSTON. We have three or four other questions on behalf of the Lake Torpedo Boat Company.

The CHAIRMAN. Mr. Thurston submits these questions on behalf of the Lake Torpedo Boat Company, and I will ask Mr. Stevens to read them.

By Mr. STEVENS:

Q. "Prior to your conversation with the Holland officers at The Hague, had the Electric Boat Company or its English representative, the Maxim company, been negotiating with or endeavoring to secure contracts for the construction of their type of submarines from the Holland Government?"—A. My recollection is that they had.

Q. Did you get that information at that time?—A. No; I got that information from an Englishman that came over here at the time of the trial—at the time the *Simon Lake 10* was running.

Q. So you got no information at the time you were there?—A. I do not recollect it.

Q. Were they represented there at the time you were?—A. No, sir. within my knowledge.

Q. Was it talked about in any way while you were there?—A. My recollection was that both the English concern and the German builders were trying to get contracts with the Dutch Government.

Q. Were they represented there at the time you were? A. No, sir.

Q. "Have any submarines of the Holland or diving type been constructed, or are they now under construction for the Holland Government?"—A. There are none within my knowledge now building. There was one built.

speed, the question of control, the question of torpedo equipment, etc., etc.

Q. You give any information you have?—A. You simply turn yourself inside out, as far as you can, in order to secure a contract.

Q. Give information that will be secret with any other government if you have it?—A. You would naturally urge your own advantages.

Q. And the disadvantages of the other fellow?—A. Yes; that is business, I believe.

Q. "Could any other company except the Electric Boat Company present any submarine for real competition in American waters before October 1 next?"—A. I should say not.

Q. The Denver Company could not do it?—A. No, sir.

Q. The Berger Company?—A. No, sir.

Q. You are familiar with their construction?—A. In a general way.

Q. So that the only real competitor to the Electric Boat Company would be the Lake Company?—A. Yes, sir.

Q. Does not the present provision of the naval bill fixing October 1 as the limit of competitive test absolutely prevent any such test and award the whole appropriation to the Electric Company?—A. I should so consider it.

Q. In view of the tests that have been recently held by the Lake boat, you would so construe it?—A. Yes; because it is utterly out of the question with the Lake Company to remodel that boat of theirs to the extent it would be necessary to complete a vessel capable of attaining the speed that the *Octopus* has within that period.

Q. And you would regard the speed itself as an essential thing in the test that was held a year ago?—A. No; I know that the general cry of speed is applicable to all vessels, that the aim is always to increase the speed.

Q. And that any naval board that would hold tests in the future would regard the speed test as the main thing in comparing a new vessel with the *Octopus* or a vessel of that type under the old test?—A. If they were expected to operate under the same circumstances, yes; probably they would.

By Mr. BROUSSARD:

Q. Did you give the name of your brother-in-law in Washington?—A. Frederick W. Matteson.

Q. What is his address?—A. It is out Woodley lane somewhere.

Q. What is his business?—A. He is a clerk in the deputy quartermaster's office of the Army Department.

By Mr. STEVENS:

Q. At that time at The Hague had the Holland Government in its service one of the boats built by the Electric or Maxim company?—A. They had a boat built on the plans of the Electric Company.

Q. Did it contain the essential features that you describe?—A. Which essential features?

Q. In your article in the Artillery Journal?—A. I do not know.

Q. Has it secured any others of the same type of submarines since?—A. No, sir; not in my knowledge.

A. Yes, sir.

The CHAIRMAN. No proposition had been made to you to accept a position with that company?

A. No, sir.

The CHAIRMAN. Is that correct?

A. That is correct.

The CHAIRMAN. You testified that some three months elapsed after your resigning before you went with that company?

A. Yes, sir.

The CHAIRMAN. You testified that you went with the company early in January, 1903?

A. Yes, sir. That I was employed by the company in 1903.

The CHAIRMAN. You testified that you resigned in September, 1902?

A. 1902, as I remember.

The CHAIRMAN. Is that correct?

A. It is correct to this extent, that I sent in my resignation in September, 1902, but with this proviso, that I should have leave for three months and that at the end of that time make my resignation final. My recollection is that some considerable time before that I notified the Department to that effect. That is as far as I can remember.

Q. But you are positive that you resigned in September?—A. That is the best of my recollection, that I wrote my resignation in September, so far as I can remember. It is a question of memory. As I say, the files of the Department will tell.

The CHAIRMAN. You have testified positively that three months elapsed after your resignation and your going with the company?

A. Yes; I think I am correct in that.

The CHAIRMAN. I will call Mr. F. S. Curtis.

TESTIMONY OF F. S. CURTIS.

F. S. CURTIS being first duly sworn, on being examined, testified as follows:

By the CHAIRMAN:

Q. What is your name and business?—A. F. S. Curtis, chief clerk of the Navy Department.

Q. Have you the files of the Department with reference to Mr. Skerrett's resignation?—A. Yes, sir.

Q. Have you the letter?—A. Yes, sir.

Q. Will you hand me the letter [witness hands papers to chairman]? You are the custodian of these files?—A. Yes, sir.

Q. This is Mr. Skerrett's letter of resignation?—A. Yes, sir.

Q. Have you a copy of the Department's reply [witness hands paper to chairman]?

TESTIMONY OF ROBERT G. SKERRETT—Recalled.

By the CHAIRMAN:

Q. Is that your letter of resignation?—A. That is not
stand it; no, sir.

Q. Is that or is that not your letter of resigna
letter of *final resignation*.

On behalf of the committee I wish to ask you these questions, and to suggest that you answer them with great care: If you did not know that these reports came from the Navy Department, why did you not write to the Department and verify them?—A. It never occurred to me, sir.

Q. If you knew that they came from the Department, why did you not ask permission to use them?—A. I did not know that they had come from the Department as such. If I had written to the Department I should have, of course, asked permission to use them.

Q. In any event, then, from the fact that you did not verify them, if you knew that they did not come from the Department, or knowing that they came from the Department you did not ask permission to use them, do you not think, upon careful reflection, that your conduct in using them in technical foreign journals was highly dishonorable and disloyal?—A. No, sir; I do think it was indiscreet.

Q. Do you think now it was indiscreet?—A. Yes, sir.

Q. Do you not think, Mr. Skerrett, as an American citizen, upon careful reflection of it, as you want it to go down to posterity, that it came very near being disloyal?—A. I should not have been disloyal to the country; I should not have been disloyal to the service. I have a heritage that I am proud of in the memory of my father.

Q. You do think now that it was indiscreet?—A. I do, sir; yes.

Q. Do you not think it is your duty as an American citizen to help the Government preserve as confidential whatever the Government wishes to have so considered?—A. If I knew it as such; yes, sir.

Q. Is not any other attitude toward a Government Department highly dishonorable and disloyal?—A. If a person acted with full knowledge of a breach of confidence, I should certainly say so.

Q. I am very glad, indeed, that you feel that way.

The CHAIRMAN. If there are no other questions to be asked this witness, he may be considered as discharged.

The WITNESS. Thank you, sir.

TESTIMONY OF SIMON LAKE.

SIMON LAKE, being first duly sworn, on being examined, testified as follows:

By the CHAIRMAN:

Q. Just a question or two, Mr. Lake, on a matter I asked you about last Saturday. On the 23d of March the committee by resolution in executive session decided to subpœna among others Mr. John C. Lake, vice-president of the Lake company. The subpœna was issued on March 26, and placed in the hands of Fred N. Webber, special messenger, sergeant-at-arms, House of Representatives. On the 27th of March he attempted to serve this writ on Mr. J. C. Lake at Bridgeport, and has made this indorsement on it:

Not served; party is out of the United States, in Bermudas, on account of continued ill health. This information came from Mr. Simon Lake, who said as follows:

I am still quoting:

Father for past eleven months has been out of all business and traveling with mother. He is an invalid, and from a letter now on my desk he left New Orleans four days ago for the Bermudas. I can not say when he will return.

that letter they state that they were expecting to sail for Habana on the 7th from New Orleans.

Q. I do not understand now what you stated before in reference to their sailing on the 18th of March.—A. That was from New York to New Orleans. I do not know whether they are having any of the usual receptions or not. I know that my children received some postal cards from them that I saw, showing the pictures of the Mardi Gras, or whatever festival they have.

Q. So that your father was in Bridgeport on the 16th?—A. On the 16th. He told me that circumstance, which is the first I knew. I asked him to make an affidavit to that effect before he sailed.

Q. I am not asking anything about an affidavit; I simply want to know how we can know Mr. J. C. Lake was in Bridgeport on the day——A. On the day he signed that affidavit—I presume that is correct.

Q. Do you know of your own personal knowledge whether he was or was not in Bridgeport?—A. He was at the time that affidavit was made. I will not state that it was the 16th, but I presume it was. He stopped there over night.

Q. You do not think the affidavit was made in New York before he sailed?—A. Absolutely not. It was made—I am not sure that I have seen the affidavit since it was made. I asked him to see our attorney and have it prepared in accordance with the circumstances which he gave—the story which he told me.

Q. And what did you decide to do with the affidavit?—A. That affidavit was sent down here to Mr. Neff and referred, I presume, to the Senator; I presume.

Q. The affidavit was sent from Bridgeport to Mr. Neff?—A. Yes, sir. It was an effort, I considered, to injure our business, and I considered it our duty to send it to our attorney to take what action he saw fit.

Q. There were the two together—the affidavit of J. C. Lake and the affidavit of Sam Ferguson?—A. The affidavit of Ferguson—I think the affidavit of Ferguson was made some time previous to that.

Q. Both sent to Mr. Neff?—A. Both sent to Mr. Neff.

Q. They were both published in the evening papers of Friday, the 3d of April, as a part of the evidence in this case?—A. I saw the publication, which was a garbled statement of facts, according to my recollection of the affidavits.

Q. Do you know whether the affidavits got to the press from Mr. Neff as part of the case?—A. I have no knowledge, and I should consider it a breach of confidence on Mr. Neff's part if he had given it out.

Q. So does the committee, if he gave it out. The affidavit came from your company to Mr. Neff? A. Yes, sir.

Q. The committee is very glad to be able to trace them as far as that, and find where the report started that they were submitted as evidence in this case.—A. They were prepared on my part to be submitted as evidence in this case.

Q. The affidavits were laid on this table by Representative Lilley on the morning of Friday, the 3d of April. Then, so far as communicating with Mr. J. C. La[illegible] think that he sails to-day from New Orleans [illegible] The 7th, as I understood.

Q. The committee has been endeavoring to get the evidence of Mr. J. C. Lake in a perfectly legitimate way, and it seems impossible to bring him before the committee. The committee has no knowledge of Sam Ferguson. It would have been perfectly easy and the only way for the information in the possession of Mr. J. C. Lake to come before the committee, to have appeared here and orally to have testified. Affidavits, letters, and telegrams sent to this committee are not evidence, and are not used as evidence, and, as I said before on behalf of the committee and as attorneys very well know, nothing is evidence except what appears in the open record, and so far as any reflection by the committee or otherwise upon the witness, I simply have this to say on behalf of the committee: That no reflection was made except such as would be simply deduced from the testimony of Mr. Lake, of your company.

By Mr. STEVENS:

Q. Where did you get those affidavits?—A. They came by mail, as I recollect.

Q. Were they accompanied by typewritten copies?—A. No, sir; the original form.

Q. Did you have any typewritten copies of them?—A. No, sir; I never have.

Q. What did you do with those affidavits?—A. Presented them to Mr. Lilley.

Q. Did you hand him anything else with those affidavits?—A. Not that I recollect.

Q. It was just in writing, the original affidavits?—A. That was all.

The CHAIRMAN. In the statement of Mr. Spear (p. 247) reference is made to House Document No. 75, a reprint of which the Electric Boat Company now produces and asks to have made a part of the record. The stenographer will insert it as an appendix.

The committee will now take a recess until half-past 2 to-morrow afternoon.

Thereupon the committee adjourned until to-morrow, Wednesday, afternoon, April 8, 1908, at 2.30 o'clock p. m.

APPENDIX.

[No. 75.]

CORRESPONDENCE ON SUBMARINE BOATS.

NAVY DEPARTMENT,
Washington, February 14, 1905.

SIR: Referring to the recent hearing accorded me by the Committee on Naval Affairs in connection with the naval appropriation bill, and to the request then made that the committee be furnished with copies of all correspondence between the Department and the Holland and Lake torpedo boat companies concerning test of submarine boats of the respective companies, I have the honor to inclose herewith copies of all correspondence on the files of the Department, the Bureau of Construction and Repair, and the board of inspection and survey on this subject, with the exception of the report of the board of inspection and survey on the test of the sumbarine boat *Fulton*, dated June 18, 1904, and the contracts for submarine boats with the Electric Boat Company. While letters have passed

16. January 19, 1903, Acting Secretary of the Navy to president of board of inspection and survey, directing the board to assemble at Bridgeport, Conn., January 26, 1903, to make examination of the *Protector*.
17. February 2, 1903, report of board of inspection and survey on examination of *Protector*, with indorsement thereon by the Board on Construction, April 21, 1903.
18. February 14, 1903, Lake Torpedo Boat Company requests copy of report of board of inspection and survey on preliminary examination of their boat.
19. May 14, 1903, Lake Torpedo Boat Company requests that Lieut. John Halligan, jr., be detailed for duty in connection with torpedo-boat outfit of the *Protector*.
20. July 1, 1903, Lieutenant Halligan ordered to special temporary duty at Bridgeport, Conn., in connection with operation of torpedoes on boats building for the Lake Torpedo Boat Company.
21. June 1, 1903, Lake Torpedo Boat Company asks for competitive tests between its submarine boat *Protector* and any Government subsurface or submarine torpedo boat that is in commission, etc., in accordance with act of Congress approved June 30, 1904.
22. July 23, 1903, Secretary of the Navy advises Lake Torpedo Boat Company that if it will present the *Protector* at a time and place to be specified later it will be tested by comparison with one of the Government submarine torpedo boats and by comparison and competition with the Holland Torpedo Boat Company's submarine *Fulton*, provided the latter is present for test at the time decided upon.
23. August 7, 1903, Acting Secretary of the Navy advises Lake Torpedo Boat Company that programme of tests to be held in October next will be based on recommendations of Board on Construction, and that copy of programme will be furnished each competitor in due time.
24. Letter of Hon. E. J. Hill, M. C., relative to application of Lake Torpedo Boat Company to participate in the sham attack on Newport in September.
25. August 11, 1903, Acting Secretary of the Navy advises Hon. E. J. Hill, M. C., that Department is constrained to decline to comply with above request.
26. August 12, 1903, Acting Secretary of the Navy advises the Lake Torpedo Boat Company that the Department is constrained to decline to comply with its request to participate in the sham attack on Newport.
27. August 12, 1903, Hon. E. J. Hill asks whether, in case a full and explicit bond exonerating the Government from any responsibility in case of such participation, the application of the Lake Torpedo Boat Company would be complied with.
28. August 15, 1903, the Acting Secretary of the Navy advises Hon. E. J. Hill that the granting of permission to private parties to take part in military maneuvers of the Government would be establishing a bad precedent, aside from responsibility as regards life and property not belonging to the Government which would be incurred, and that refusal to grant desired permission must not be considered any prejudice against the boats of the Lake Torpedo Boat Company.
29. August 19, 1903, Hon. E. J. Hill asks if there would be any impropriety in Captain Lake taking his boat to Newport at the time of the maneuvers, requests to be advised as to date of attack on that place, and requests to be furnished with programme of official tests when prepared. Department's indorsement of August 21, 1903, to commandant of the second naval district, directing that Captain Lake be afforded opportunity to see everything under naval control.
30. August 21, 1903, Acting Secretary of the Navy to Hon. E. J. Hill, replying to the latter's inquiries of the 21st of August.
31. October 8, 1903, the Secretary of the Navy advises the Lake Torpedo Boat Company that the competitive trials of submarine boats will be held at Newport November 16, 1903.
32. October 12, 1903, the Lake Torpedo Boat Company acknowledges Department's letter of October 8 and urges that the date November 16 be adhered to; also requests to be informed of nature of trials; with indorsement of board of inspection and survey of October 16, 1903.
33. October 20, 1903, the Acting Secretary of the Navy quotes report and recommendation of board of inspection regarding general character of trials and that trials will be proceeded with by one competitor even in the absence of the other.

50. January 19, 1904, the Acting Secretary of the Navy to the Lake Torpedo Boat Company, stating that before the company presents its boat for a competitive trial that it should file a formal letter to the effect that the boat submitted is finally completed and that the company is willing to accept the result of the test as final for the purposes stated in the naval appropriation act of March 3, 1903.
51. May 16, 1904, board of inspection and survey to the Lake Torpedo Boat Company, informing them that the Holland Torpedo Boat Company has reported to the Navy Department that their submarine boat will be ready for trial on May 30. Suggests that if the Lake boat is ready in all respects for this trial, it would be of advantage to have the two boats tried at the same time.
52. June 24, 1904, the Lake Torpedo Boat Company to the Secretary of the Navy, protesting against the publication of the report of the board of inspection and survey on *Fulton* and submarines, containing only partial reference to *Protector;* requesting nonapproval of report and the granting of an appeal under acts of 1904 and 1905.
53. June 24, 1904, memorandum of proceedings held in the office of the Secretary of the Navy. Present: Secretary Moody, Assistant Secretary Darling, Hon. E. J. Hill, and Mr. Fred B. Whitney.
54. June 25, 1904, memorandum of the Secretary of the Navy to the board of inspection and survey, stating that it is not considered wise to publish the report of the board of inspection and survey on submarines, and that he will take no further action on the subject, but defer its consideration to his successor.
55. July 1, 1904, the Lake Torpedo Boat Company gives "reasonable notice," and requests to have its submarine boat tested under the provisions of the act of Congress approved April 27, 1904.
56. September 12, 1904, the Secretary of the Navy to the Lake Torpedo Boat Company, calling attention to the company's notice of July 1, 1904, and asking when it will be ready to make the test referred to.
57. September 17, 1904, the Lake Torpedo Boat Company advises the Department that it will offer submarine for test at or near Newport News, Va., on third Tuesday in November, 1904.
58. September 17, 1904, personal letter of Mr. Fred B. Whitney, vice-president Lake Torpedo Boat Company to the Chief Constructor United States Navy, giving list of documents, letters, and references referred to in his remarks recently in verbal presentation to the Secretary of the Navy of certain matters affecting the construction of submarine torpedo boats.
59. September 22, 1904, Chief Constructor Capps acknowledges receipt of Mr. Whitney's letter, giving list of documents.
60. September 22, 1904, Department advises the Lake Torpedo Boat Company that it should file formal notice of final completion, etc., as required by the Department's letter of January 19, 1904.
61. September 26, 1904, Fred B. Whitney, vice-president Lake Torpedo Boat Company, advises the Secretary that he will make personal call and that he "shall be pleased to do everything possible you desire."
62. October 27, 1904, Fred B. Whitney telegraphs the Department that submarine *Simon Lake X* successfully launched.
63. November 15, 1904, the Lake Torpedo Boat Company advises the Department that work is being pushed on *Simon Lake X*, and suggests December 5 or 6 to begin tests (with indorsements on said letter by Bureau of Navigation and board of inspection and survey).
64. November 22, 1904. Department advises Lake Torpedo Boat Company that board of inspection and survey has been instructed to hold itself in readiness to make an inspection of the *Simon Lake X*, and states that no further steps will be taken in the matter of the test of the boat until the company furnishes the formal statement in writing required by the Department's letter of January 19.
65. December 3, 1904, the Secretary of the Navy wires the Lake Torpedo Boat Company, asking whether the company will be ready for test on Monday, December 5.
66. December 3, 1904, the Newport News Shipbuilding and Dry Dock Company advises the Department that they are building the *Simon Lake X*, which was to have been ready December 5. On account of unavoidable delays

commercial purposes as for war, and since that time I have devoted my attention largely to that branch of the business, and the *Argonaut* is well known as the first entirely successful submarine boat ever built. Her efficiency as a submarine was drawn in 1897, and I have several times tried to interest the Government in the invention, but have failed, probably through my inexperience in that line.

Several foreign governments have, however, shown great interest in her and have requested me, through their representatives in Washington, to submit plans. This I have not done, as there are several features about my method of operating the submarine boat that I have discovered in my many years' study and experiment that I have not disclosed to anyone and which I consider of sufficient importance for our Government to keep a secret, if they so wish.

I send under another cover a pamphlet on the *Argonaut*, which only relates to the commercial advantages of vessels of her type, and would be glad to submit to the proper authorities my plans for submarine torpedo vessels.

I do not know just the proper procedure to get the merits of my type of vessel investigated, but as I have failed to receive recognition heretofore I take the liberty of writing you on the subject.

I am also writing the Secretary of the Navy and others, and believe if an investigation is made where I can submit plans and have a hearing I can convince anyone of the great value of this type of vessel to our Government.

Yours, very respectfully

SIMON LAKE.

Hon. WILLIAM MCKINLEY,
President of the United States.

(2.)

THE LAKE SUBMARINE COMPANY,
New York, January 22, 1901.

Hon. JOHN D. LONG,
Secretary of the Navy, Washington, D. C.

DEAR SIR: I understand there is a proposition before Congress to build additional submarine torpedo boats. As the inventor of a type of submarine that is well adapted to the needs of the Government as submarine torpedo boats for either harbor or coast defense, or for purposes of blockading or destroying fleets in foreign waters, or for destroying mines and cutting cables, I would like to ask your advice as to the proper method to get the merits of my type of vessel considered.

In 1893 I submitted plans to the then Secretary under the advertisement requesting inventors to submit plans. These plans were returned with a letter from the Secretary stating that as my plans were not in accordance with the regulations they could not be considered; this notwithstanding the fact that the circular distinctly stated that if the plans were informal they would receive consideration..

Fortunately my type of vessel was well adapted to commercial purposes and I devoted my attention more particularly to that feature, although I have several times since tried to interest the Government in my plans, and the same have received the indorsement of a number of naval officers of high standing. The *Argonaut* in 1897 was the first submarine vessel ever built to demonstrate that submarine navigation was entirely practical, and she has traveled thousands of miles in the Chesapeake Bay and on the coast and in Long Island Sound under her own power and entirely unescorted. Vessels of her type need only to be fitted with torpedo tubes and storage batteries to make them formidable as submarine torpedo boats, and in addition to the advantages possessed by other submarines they have distinctive qualities not possessed by other types, some of which are of importance.

I am sending, under another cover, a pamphlet descriptive of the *Argonaut*. This relates only to the commercial features of the type, but I have plans of torpedo boats which I would be glad to submit to the proper authorities.

Yours, respectfully,

SIMON LAKE.

some naval officers who were on board while she was at Hampton Roads, Virginia, during the Spanish-American war, said she would have proven invaluable in cutting cables and destroying the mine defenses along the coast and at Santiago, even in her condition at that time. At that time I again tried to interest the Government in my type of vessel, but owing to my inexperience in that line I did not succeed in getting a hearing.

Now, however, in view of the fact that there has already been appropriated over $1,000,000 for experimenting with another type of vessel, I think it will be to the advantage of the Government if the merits of other types should be considered. I send under another cover a pamphlet descriptive of my style of submarine boat, the *Argonaut*, which will give you some information as to what I have accomplished. This pamphlet only relates to the commercial features of her type of vessel, but I have in preparation another pamphlet which relates directly to the use of this type of vessel for naval purposes, which will be ready in a few days.

I read a paper before the Naval Militia in New York some time ago, and illustrated the method of defending our coast and harbors by the use of submarine vessels of the *Argonaut* type, and invited criticism. There were also a number of the regular naval officers present, but they all said there was no criticism to make. They believed there was no method known to naval science that could compete with vessels of the *Argonaut* type when fitted with storage batteries and Whitehead torpedoes.

Lieutenant-Commander Kimball told me when in Baltimore he believed a vessel of the *Argonaut* type could enter any harbor in the world and destroy their mine defenses. Admiral Hichborn, in a recent article in the Engineering Magazine, said: "The Lake boat gives good promise of efficiency." "A boat of her type fitted with a true submarine motor might be very valuable in the attack of a mine field." The *Argonaut* type of vessel has numerous advantages over previous or existing types of submarine vessels, which are protected by numerous fundamental patents and can not be embodied in other vessels without infringement. Its characteristic features are:

First. Automatically maintaining the trim of the vessel while submerged.

Second. Automatically regulating the depth of submergence.

Third. Ability to steer long and correct courses when submerged without the necessity of frequently coming to the surface to correct the same.

Fourth. Means for communicating with the shore or another submarine or surface vessel while on picket duty.

Fifth. Means whereby divers may readily leave and reenter the boat while submerged, no water entering the boat while the door is open.

Sixth. Ability to guide the vessel toward or away from an enemy while submerged without exposure of position.

Seventh. Ability to cut and destroy cables and mine defenses.

Eighth. Means for traveling either on the surface, awash, submerged at any predetermined depth, or on the bottom.

Ninth. Means for recharging the batteries while submerged.

Tenth. The ability to travel submerged and at the same time receive an abundance of pure air in its natural condition.

Eleventh. Seaworthiness. Vessels of her type are more seaworthy than purely surface boats, and are as capable of making long voyages; the superstructure affords sufficient fuel, storage capacity, and also provides a deck, which is a very desirable thing for long cruises.

Twelfth. Her type affords sufficient and comfortable crew's quarters. (See p. 15 of pamphlet, when a party of 28 were entertained below the surface.)

Thirteenth. The type is adaptable for being utilized as tenders to cruisers or battle ships, for harbor or coast defense purposes, or for submarine cruisers or gunboats for offensive purposes in foreign waters.

Fourteenth. Provision for the escape of the crew in case of total disablement of the vessel. In addition to the above special features, the boats have all the advantages possessed by other submarine craft, as all the more important boats of recent years have been simply combinations of old principles known and described years ago and are not, as is the *Argonaut* type, protected by broad or basic patents. A list of these patents will be found on page 27 of the pamphlet.

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purpose of developing the ideas of another inventor, and a contract was made for building a vessel of that type, which vessel is still uncompleted. Since that time the Government has purchased another vessel of the same type and has authorized the building of six more. In 1897 the *Argonaut* was completed and experimented with in the Chesapeake Bay and on the Atlantic coast, and was the first entirely successful boat ever built. At that time she was only 36 feet long; yet some naval officers who were on board while she was at Hampton Roads, Virginia, during the Spanish-American war, said she would have proven invaluable in cutting cables and destroying the mine defenses along the coast and at Santiago, even in her condition at that time. At that time I again tried to interest the Government in my type of vessel, but owing to my inexperience in that line I did not succeed in getting a hearing.

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(7.)

NAVY DEPARTMENT,
Washington, January 28, 1901.

SIR: Replying to your letter of the 22d instant, inclosing one from Mr. Simon Lake, president of the Lake Submarine Company, No. 11 Broadway, New York, stating that it is reported there is to be a bill presented before Congress authorizing the purchase of additional submarine boats for the United States Navy, and if this is true that he would like to have an opportunity of submitting plans for supplying some of such craft, I have the honor to inform you that the Board on Construction, to which the letter of the Lake Submarine Company was referred, reports as follows:

"So far as known to the Board on Construction, there is no proposition before Congress to build additional submarine torpedo boats, nor is there now any appropriation for conducting experiments with such boats.

"The Board has not sufficient data concerning the Lake submarine boat to enable it to express an intelligent opinion as to its probable efficiency.

"Should there be an appropriation for submarine boats in which no special type is designated, the question of the Lake submarine boat could then be considered."

In view of the foregoing report, the Department is unable to give consideration at the present time to the question of experiments with the Lake Submarine Company's boat. However, should Congress make an appropriation for submarine boats in which no special type is designated, the availability of the above-mentioned company's submarine boat will be given consideration.

Very respectfully,

JOHN D. LONG, *Secretary.*

Hon. B. T. CLAYTON,
House of Representatives, Washington, D. C.

(8.)

THE LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn., October 27, 1902.

FRANCIS T. BOWLES,
Rear-Admiral, U. S. Navy.

DEAR SIR: We expect to launch our new submarine torpedo boat *Protector* on Saturday, November 1, at 12 o'clock noon, and would be pleased to have you inspect her either on that date or previous thereto, as her many novel features can be seen much better then than when she is in the water. She will be launched with practically all her machinery and fittings installed, the only thing of any moment remaining to be done being the installing of the storage-battery plates, the battery tanks having been put in some time ago.

This work will take about three weeks, so we should be ready for our first trial about the 1st of December.

We have spared no expense in trying to make this boat first-class in every respect, and believe she will prove by her trials to be a superior craft.

Yours, sincerely,

THE LAKE TORPEDO BOAT COMPANY.
SIMON LAKE, *President.*

(9.)

BUREAU OF CONSTRUCTION AND REPAIR,
NAVY DEPARTMENT,
October 29, 1902.

MESSRS: Replying to your letter of the 27th instant, I regret that I shall be unable to attend the launch of the *Protector* on Saturday, November 1, 1902, but, supposing it would be agreeable to you, I have instructed Naval Constructor D. W. Taylor, U. S. Navy, of this Bureau, to be present. I hope it will be possible for you to permit him to thoroughly inspect the boat.

Very respectfully,

F. T. BOWLES,
Chief Constructor, U. S. Navy, Chief of Bureau.

The LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn.

(13.)

NAVY DEPARTMENT,
Washington, November 21, 1902.

MY DEAR MR. HILL: I have your letter of the 19th instant in reference to the desired loan of a torpedo to the Lake Torpedo Boat Company, and also as to the detail of some suitable person to instruct the company in the operation of the same, and take great pleasure in saying that I have to-day directed the Bureau of Ordnance to effect the loan of a Whitehead torpedo to the Lake Torpedo Boat Company upon condition that the company execute an indemnity bond in the sum of $3,500 to secure the Government against the loss of or injury to the torpedo, provided the company will pay the expenses of transportation. I have also authorized the detail of a suitable person from the torpedo station for the purpose of instruction, provided the Lake Torpedo Boat Company will pay the travel and other necessary expenses of such person while so employed.

Yours, very truly,

W. H. MOODY.

Hon. E. J. HILL, M. C.,
Norwalk, Conn.

(14.)

THE LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn., December 15, 1902.

SIR: The submarine torpedo boat *Protector*, built by this company, is now ready to undergo such tests as may be prescribed by the Navy Department for determining her usefulness for naval purposes.

This company would call the attention of the Department to the fact that the Board on Construction specifically recommended that the field of competition as regards submarine boat construction be kept open to all inventors. This recommendation was approved by Hon. John D. Long, then Secretary of the Navy, who also specifically stated this fact in an official communication to Congress.

If encouragement was not given this company to engage in submarine boat construction, an implied pledge was made that the merits of any completed submarine craft would be officially investigated.

In the belief that the Department deems it in line with sound public policy to encourage competition, and that it also desires to procure the best of every form of naval construction, this company has expended over a quarter of a million dollars in the building of the *Protector*.

This company, therefore, requests that the Department will, at the earliest practicable day, direct a board of naval officers to examine the *Protector*, and to conduct such tests as may be prescribed by the Secretary of the Navy for determining the usefulness of the craft for naval purposes.

Our company guarantees to defray all direct and indirect expenses incidental to carrying on such tests.

In view of the fact that the question of submarine boats will undoubtedly be considered by the present Congress, this company would urgently request that the merits of the *Protector* be inquired into by a naval board before the end of this month.

In order to expedite matters, it is further requested that the board of inspection be directed to proceed to Bridgeport, Conn., to observe and report upon the general design of the boat, and that the Board on Construction suggest to the Department the nature of the tests that should be prescribed.

The present Congress ought to be officially informed of the merits of the *Protector* before taking up the consideration of the submarine-boat question. Any delay in conducting these tests may work material injury to the interests of this company as well as to the good of the Navy.

Particularly does this company invite a competitive test of the *Protector* with any submarine boat owned by the Government or which is in process of construction for the Navy.

Our work in building the *Protector* ought to give the Navy Department an opportunity to settle the question as to the value of the submarine boat as a

Cowles, U. S. Navy, who was detained by a late train, but who reported at 10.30 a. m. of the same day. The board made a thorough inspection of the boat and her machinery during the forenoon.

3. Mr. Lake and other representatives of the company by whom the *Protector* has been built were present during the board's examination of the vessel, and from their statements it appears that the *Protector* has been built for the purpose of operating under the following general conditions:

First. In the light condition, without water in the ballast tanks, for runs on the surface of the water. When operating in this condition the boat can be propelled by two gasoline engines operating the twin screws, by two electric motors driven by a storage battery, or by the gasoline engines and electric motors acting together. Runs made with the vessel in this condition are designated in this report as "surface" runs.

Second. The boat is designed to be operated in an "awash" condition, with only a small part of the conning tower above the surface of the water, and it is claimed that in this condition the boat can be operated under either gasoline engines or electric motors, or a combination of the two.

Third. The boat is designed to operate as a submarine boat proper, navigating at a practically uniform distance below the surface of the water, and can then be propelled only by her electric motors.

Fourth. The boat is finally designed to be operated upon the bottom of the sheet of water that she is navigating, the vessel in this condition being guided by two cast-iron wheels located in tandem, one under the forward and one under the after part of the hull, these wheels traveling on the bottom. The propelling force in this condition is furnished by the twin screws, which are driven by the electric motors; no propulsive power is transmitted through the axles of the wheels themselves, which act as a guide for direction only.

4. From a careful examination of the vessel itself and from the statements made by Mr. Lake and other representatives of the company the board finds as follows in justification of the above claim:

GENERAL CONSTRUCTION AND EQUIPMENT.

The hull proper of the *Protector* is built in the form of a spindle of circular section, having above its upper part a superstructure with a flat deck, above which a conning tower, with lookout for the steersman, is located. The general dimensions of the boat are as follows:

Length over all	feet	65
Breadth of beam	do	11
Displacement, light, when in condition for surface run, estimated to be	tons	130
Displacement of the boat when totally immersed	do	171.5

5. In the forward portion of the vessel is a water-tight compartment designed to permit a diver to leave the vessel when she is resting on the bottom. Immediately abaft this compartment is an air lock, fitted with water-tight doors, designed to furnish a means of passing from the forward compartment (within which the air pressure must at time be equal to that corresponding to the depth of water in which the vessel is lying) to the other interior parts of the boat, within which it is designed to maintain the air pressure at as near that of the atmosphere as practicable.

6. Immediately abaft the air lock is the principal living compartment of the boat, within which sixty storage-battery cells are placed, and along the sides of which folding bunks are provided for the crew. Abaft this space is the galley.

7. The remaining after part of the vessel is taken up with the gasoline engines, electric motors, and appurtenances for the same, together with the necessary pumps and auxiliaries. At the extreme after part of the vessel, between the shafts of the twin screws, are two sets of rudders, the first a single rudder with a vertical axis for steering the boat laterally, which is controlled by a quadrant and wire rope transmission leading to a hand-power steering wheel located in the conning tower, and a second pair of rudders with a horizontal axis which can be set to any fixed angle desired, but which are not designed for adjustment during the running of the boat.

8. In the bottom of the boat, throughout her length, are a number
and trimming tanks, designed to give the desired trim and bal
when navigating in the second, third, and fourth condi

operated by a corresponding auxiliary shaft placed on the outboard side of the engine. The distinctive features of the engines are as follows:

(*a*) Either the igniter of each engine, the small pump for supplying gasoline, or a valve stem can be instantly thrown out or into operation.

(*b*) On each engine is a device whereby it can be quickly shown whether or not regularity of explosion is being effected.

(*c*) A positive attachment has been fitted to each engine whereby the engine can be started, in case the electric motor is inoperative, by the explosion of a small cartridge. This is an important feature, since it might require any length of time to start the gasoline engine by simply jacking them over and expecting the igniter of at least one cylinder to operate during a complete revolution.

(*d*) It is claimed that a special attachment has been fitted whereby any gases escaping through the relief valves do not pass into the bilge, but are drawn into the induction pipe. The efficiency of this arrangement could not be tested, but should be specially inquired into during the official tests of the boat.

15. The propellers have adjustable blades, thus permitting each screw to be worked right or left handed. This arrangement permits the gasoline engines to be used for go-ahead or backing purposes. On account of the rudder being disabled on the day that the board of inspection and survey examined the *Protector*, it was not possible to use the engine for backing purposes, since it was feared that disablement of the blades would result. The pitch of the blades of the propellers was sufficiently altered, however, during the surface run to cause both engines to develop the same horsepower. As each motor was connected with each gasoline engine during the last half of the surface run, an inspection of the electric meters showed that practically the same work was being done by each engine after the pitch of the propellers had been changed.

16. The clutches for connecting the motors to the propeller shaft, as well as the clutches for operating the gasoline engines, were thrown in and out of gear repeatedly, and apparently worked satisfactorily. The movement of these clutches, however, is very small, and as the clutches are not of commercial size, care will have to be exercised to keep spare ones in stock.

17. The main auxiliaries practically consist of a complete drainage system, with the necessary pumps for clearing the compartments. These centrifugal pumps are operated through gearing by the gasoline engines. By throwing out the main clutch the pump could be operated at a very high speed. During the surface run two of the forward compartments were filled with water and afterwards pumped out. By running the water through the manifolds it required one minute and twenty seconds to fill No. 3 compartment and one minute and forty-six seconds to fill No. 4. These times, however, can not be considered authoritative. The engines had only been operated a few minutes in draining the compartments that were filled when it was reported that they were empty.

18. The arrangement of manifolds was most compact and accessible. It was noticeable, however, that the valves were not marked, nor were there any suitably engraved plates on valve bonnets or bulkheads showing the purpose for which the valves were intended.

19. Both in the conning tower and the engine room were numerous gauges and instruments for effecting special objects and for noting particular conditions. Whether or not these will prove reliable instruments of precision can only be determined by actual tests.

20. At the time of the inspection by the board the boat was not completed so that she could be operated either awash, or as a submarine boat proper navigating below the surface, or on the bottom. She was, however, sufficiently complete to navigate on the surface of the water propelled by her two gasoline engines, which were assisted for a portion of the run by the two electric motors which are provided for propelling the boat when entirely submerged.

21. At 2.40 p. m., on Tuesday, the 27th instant, the boat was taken from her moorings in tow of a tug and towed to the outer harbor. There were no draft figures by which the exact draft could be read, but it was stated that the approximate draft was 11 feet. Compasses were not adjusted.

22. The gasoline engines were worked five or ten minutes while the boat was being towed out of harbor. This was probably done to see that everything was in good working order. They were also operated for about fifty minutes in propelling the boat.

39. The run from Penfield Shoal light-house to Bridgeport light-house was made in twenty-six minutes, the vessel being under gasoline engines and motors. This gives a speed of about 8 knots per hour.

STABILITY.

40. During the run in the surface condition just described the stability of the boat, when observed in smooth water, appeared to be entirely satisfactory. In this condition the large flat-decked superstructure must give a very considerable initial stability, but probably a short range, as the edge of the deck is near the water; but no information could be obtained from her builders as to the metacentric height or stability curves in this condition. The only information that could be obtained as to the stability of the vessel in any condition was a statement by the company's officers that when the boat was entirely immersed in the diving condition the vertical distance between the positions of the center of gravity and the center of buoyancy in this condition would be 5 inches. This amount is believed to be dangerously small.

HABITABILITY.

41. The habitability of the boat, in so far as developed by the condition of surface running, appeared to be satisfactory; but in the absence of any tests of the boat in other than the surface condition no opinion can properly be expressed as to the ventilation of the boat when operated below the surface.

ADAPTABILITY OF THE BOAT FOR THE PURPOSE OF OFFENSE AND DEFENSE, MINING, AND COUNTERMINING.

42. In its present condition, and in the absence of any tests other than the surface run described above, the board would call attention to the fact that the claims made by the company's representatives as to the operation of the *Protector* under the conditions described as "awash," "submerged," or "running on the bottom," appear to rest chiefly on the performances of a small boat previously built by this company and known as the *Argonaut*. The latter vessel is said to have been successfully operated on the bottom by means of a gasoline engine which discharged through a pipe, the upper end of which was connected to a buoy so as to remain at all times above the surface of the water, and it does not appear that at any time the *Argonaut* was operated as a submarine boat proper, navigating at a constant distance below the surface. The board does not consider, therefore, that the ability of the *Protector* to navigate successfully in the "submerged" condition rests on any more substantial foundation than the expectations and hopes of her builders.

43. The design of a vessel of this character is essentially experimental. Its success depends upon repeated and carefully conducted trials, by means of which the design and proportion of the various parts of the boat are perfected. The Lake submarine boat *Protector* in its present condition does not appear to have passed through any such system of development, and its present value as a submarine boat for naval use for the purpose of offense and defense, mining and countermining is only that of an untried and undeveloped design.

4. Regarding the feature of propulsion while resting upon wheels upon the bottom, the board does not consider that this feature by itself is of sufficient importance to give the boat any great value as a naval weapon unless it is associated with the ability of the vessel to be properly handled as a submarine boat navigating at an approximately constant depth below the surface of the water. In the absence of any tests showing the *Protector* can be so operated, the board is of the opinion that it will be necessary to carry her design through the various stages of development of all similar new and untried designs before the utility of the boat for the purposes of offense and defense, mining and countermining as a submarine boat for naval use can be considered to possess a serious and reliable value.

Very respectfully,

C. J. TRAIN,
Captain, U. S. Navy, President.
J. J. WOODWARD,
Naval Constructor, U. S. Navy, Member.
W. C. COWLES,
Commander, U. S. Navy, Member and Recorder.
JOHN R. EDWARDS,
Lieutenant-Commander, U. S. Navy, Member.

The SECRETARY OF THE NAVY.

are especially trained at the Torpedo School. It would be manifestly unfair to this company, which expects to conduct comparative or competitive tests with the Holland type of boat, to permit our rivals to have the services of torpedo experts and not accord us the same privilege.

The crew of the *Protector* are perfectly competent to enter and point the torpedo, but it is the adjusting of the delicate mechanism of this appliance that should be intrusted only to one who has taken the course at the Torpedo School or who has had practical experience in firing torpedoes, either from a cruiser or a torpedo boat. However accurately a torpedo may be pointed, unless it is properly adjusted it might sink to the bottom if all the adjustments were not properly made, and any such defect could not be chargeable against the boat.

The Department should also be reminded of the fact that possibly in transit or in handling there might be a slight disturbance of the mechanism sufficient to interfere with its working.

The Lake Torpedo Boat Company therefore request that during the present month an officer be ordered to this duty, and preferably a volunteer, for this company understands that it is not the policy of the Department at the present time to order other than volunteers to such duty.

This company also believe that it is justly entitled to have an officer detailed for duty in connection with the torpedo outfit who believes in the principles of construction of the craft, and it therefore requests that Lieut. John Halligan, jr., be assigned to this duty, the company understanding that this officer will volunteer for the duty.

During the official trial of the *Florida*, which took place off this harbor, Lieutenant Halligan inspected the *Protector;* therefore, by both observation and study has a good general knowledge of the principles governing the construction of this boat and fully appreciates any risks that may be taken in connection with the duty.

The Lake Torpedo Boat Company would like to be informed at the earliest possible day if the Navy Department will detail an officer who will volunteer for the duty.

The Lake Torpedo Boat Company know of other officers in the service who will volunteer for service in connection with the craft; and as the boat is built on entirely different principles from that of any rival boat, the Navy Department would only be benefited by making this assignment.

Yours, very truly,

THE LAKE TORPEDO BOAT COMPANY,
By SIMON LAKE, *President.*

Hon. WM. H. MOODY,
Secretary of the Navy, Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *May 16, 1903.*

The Lake Torpedo Boat Company, Bridgeport, Conn., request, as they intend within a short time to ask the Navy Department to appoint a board to report upon the adaptability of their type of boat for naval needs, and as one of the requirements of submarine torpedo boats is the ability to fire torpedoes that an officer be assigned from the Navy for duty in connection with the operation of the torpedo outfit.

Respectfully referred to the Bureaus of Ordnance and Navigation for report and recommendation.

DARLING, *Acting Secretary.*

[Second indorsement.]

BUREAU OF ORDNANCE, *May 20, 1903.*

Respectfully returned to the Department via the Bureau of Navigation.

The detail of Lieut. John Halligan, jr., for duty on board the *Protector* as a representative of the Navy Department would be very satisfactory to this Bureau.

Lieutenant Halligan's experience in the command of torpedo boats and in the handling of torpedoes fit him for this assignment, and the Bureau understands that Lieutenant Halligan is willing to volunteer for this duty.

It is therefore recommended that if this assignment can be satisfactorily arranged, Lieutenant Halligan be detailed to represent the Navy Department on board the *Protector* as herein requested.

CHARLES O'NEIL,
Chief of Bureau of Ordnance.

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Secretary of the Navy, Washington, D. C.

[First indorsement.]

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CHARLES O'NEIL,
Chief of Bureau of Ordnance.

Sixth. Offensive power.
Seventh. Stability.
Eighth. Visibility of object to be attacked.

In the Department's official circular the requirements demanded of the submarine were explained in detail, and the inference, if not the statement, was made that the vessel possessing a majority of these features, even if lacking in some of the requirements, would be of considerable military value.

The Lake company designed and built its boat *Protector* to fill the requirements specified. This boat not only represents the study and experiment of the past twenty years, during which time Mr. Lake has built three submarines previous to the *Protector*, one of which has done considerable submerged work off the Atlantic coast. As the Navy Department has not given any further official expression of opinion as to the requirements which a submarine boat should possess, and as all experts recognize the fact that the requirements demanded in 1893 will give the Navy a powerful weapon of war, any vessel capable of fulfilling the above requirements would be of great value to the naval service.

As the primary object of a submarine boat is for coast and harbor defense, we would suggest that the trial be held in the locality that would likely be an object of rendezvous, of attack, or blockade in time of war. As such trial by law must be competitive, we further request that some table or programme be prepared giving to each performance or accomplishment a certain number of points, and that each competitor be notified at the earliest possible day as to the relative value which the Department places upon the several requirements. In justice to any company which possesses a submarine boat that has distinctive features, it is but reasonable that such company should have an opportunity to show the advantages of such distinctive features before a scale of marks as to the value of the several requirements is agreed upon.

The Lake company, therefore, further requests that the Department will constitute a board of officers at the earliest practicable day to make cursory examinations of the several probable competing boats, and thus note whether any of the distinctive features of any one type of boat should be incorporated as general requirements of the Department as to the military features that should be possessed by a submarine boat.

This company would call the attention of the Department to the fact that the entire burden of developing our type of submarine torpedo boat construction has been borne by private individuals. It has required an expenditure of over $300,000 to develop the type of submarine boat as exemplified in the *Protector*. The fact should be further noted that no submarine-boat company, either in America or Europe, has probably ever expended such a large amount of time and money in developing a weapon of war without having an implied or tacit promise that under certain conditions, or when certain requirements were fulfilled, such weapon of war would be purchased by the Government. The purpose and spirit of the act of March 3, 1903, authorizing a competitive test, was undoubtedly to extend the field of competition and to encourage inventors to enter this field of submarine-boat construction.

The Lake Company has not attempted to seek a market for the sale of the *Protector* until the company was satisfied that it had succeeded in securing an advance in this type of construction. As a result of study, experiment, and experience the company has developed several types of submarine boats whose cost of construction will vary from $50,000 to $750,000 each. The *Protector* represents the best all-round boat for naval purposes, and therefore the one most suitable for the Department to test in comparison with that of any other design. The *Protector* has only to be brought into competition with any boat possessed by the Government to convince any board of naval experts that her cost of construction represents double the expenditure of that required in the building of any possessed by the Government. The company simply states this fact to show the Department the confidence its own experts have in the worth of the design for naval purposes.

That the Lake Company has given extended thought to the submarine-boat question ought to be evidenced by the success which has been secured with the commercial submarine boat *Argonaut*, a boat which has been under water more hours, and which has traveled more miles in a submerged condition, than any boat in existence. As the Lake Company considers that not only the speed, submerged and awash, tests should be regarded as determining factors, but also that the constructive features, whereby actual work in cutting cables, finding mines, and ability to remain for days under water, are factors of military im-

Space in cabin ———.
Berth description ———.
Total cubic feet of space per man in living quarters, not counting machinery space as living quarters ———.
Means for traveling submerged ———.
Means for surface navigation ———.
Combination of machinery for propulsion ———.
Means for reversing propellers, engines, or motors ———.
Means of sighting target while submerged ———.
Means for correctly aiming torpedoes while submerged ———.
Means provided for cable cutting and planting or destroying mines ———.
Means of calculating distance traveled while submerged ———.
Means for communicating with shore or other stations ———.

Very respectfully,

THE LAKE TORPEDO BOAT COMPANY,
By SIMON LAKE, *President.*

Hon. WILLIAM H. MOODY,
Secretary of the Navy.

[First indorsement.]

NAVY DEPARTMENT, *June 3, 1903.*

Respectfully referred to the Board on Construction for recommendation.

DARLING, *Acting Secretary.*

[Second indorsement.]

NAVY DEPARTMENT,
BOARD OF CONSTRUCTION,
June 5, 1903.

1. Respectfully returned to the Navy Department.

2. The act of Congress approved March 3, 1903, making appropriations for the naval service for the fiscal year ending June 30, 1904, and other purposes, contains the following provisions under "Increase of the Navy:"

"The Secretary of the Navy is hereby authorized, in his discretion, to contract for or purchase subsurface or submarine torpedo boats in the aggregate of, but not exceeding, five hundred thousand dollars: *Provided*, That prior to said purchase or contract for said boats any American inventor or owner of a subsurface or submarine torpedo boat may give reasonable notice and have his, her, or its subsurface or submarine torpedo boat tested by comparison or competition, or both, with a Government subsurface or submarine torpedo boat or any private competitor, provided there be any such, and thereupon the board appointed for conducting such tests shall report the result of said competition or comparison, together with its recommendations, to the Secretary of the Navy, who may purchase or contract for subsurface or submarine torpedo boats in a manner that will best advance the interests of the United States in submarine warfare: *And provided further*, That before any subsurface or submarine torpedo boat is purchased or contracted for it shall be accepted by the Navy Department as fulfilling all reasonable requirements for submarine warfare and shall have been fully tested to the satisfaction of the Secretary of the Navy. To carry out the purpose aforesaid the sum of five hundred thousand dollars is hereby appropriated out of any money in the Treasury not otherwise appropriated."

The within letter of the Lake Torpedo Boat Company of Bridgeport, Conn., contains a request for a competitive test between its submarine boat *Protector* with any Government subsurface or submarine torpedo boat that is in commission, in reserve, or which has undergone an official test, and further requests that the competition be extended to any other parties who may wish to enter the field.

Under the provisions of the act of March 3, 1903, above quoted, the Lake Torpedo Boat Company is, in view of its application, entitled to have its request granted for a competitive test between its [illegible] boat *Protector* with some Government submarine boat, and the [illegible] the board of inspection and survey [illegible] with one of the Government submar[illegible] prescribe the nature of such te[illegible]

With regard to the propositi[illegible] Department first outline the [illegible]

recommendations of the board on construction made in connection with your application for competitive tests, dated June 1, 1903. A copy of this programme will be furnished in due time to each competitor.

Very respectfully,

CHAS. H. DARLING,
Acting Secretary.

The LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn.

(24.)

[First indorsement.]

NAVY DEPARTMENT, *August 8, 1903.*

Respectfully referred to the Bureau of Navigation for report and recommendation as to so much of the within letter as refers to the desire of the Lake Torpedo Boat Company to engage in the sham attack on Newport in September, on which occasion it is stated Newport is to be defended by submarines.

The application of the Lake Torpedo Boat Company within referred to is herewith inclosed.

CHAS. H. DARLING, *Acting Secretary.*

(25.)

NAVY DEPARTMENT,
Washington, August 11, 1903.

SIR: Replying to your letter of the 7th instant, in which you indorse the request of the Lake Torpedo Boat Company to be permitted to participate in the sham attack on Newoprt to take place in September, that place to be defended by submarines, I have the honor to inform you that the Bureau of Navigation, to which your letter was referred, reports as follows:

"The Bureau of Navigation recommends that the request of the Lake Torpedo Boat Company be not granted. If granted the Government would incur a responsibility in regard to the lives not in Government employ, and material not owned by the Government, which would not be warranted."

In view of the above report the Department is constrained to decline to comply with the request of the Lake Torpedo Boat Company.

Very respectfully,

CHAS. H. DARLING, *Acting Secretary.*

Hon. E. J. HILL, M. C.,
Norwalk, Conn.

(26.)

NAVY DEPARTMENT,
Washington, August 12, 1903.

SIRS: Referring to your letter of the 10th instant, addressed to Hon. E. J. Hill, M. C., Norwalk, Conn., and to previous correspondence, in which you request permission for the Lake submarine torpedo boat *Protector* to enter the September maneuvers off Newport, I have to inform you that the Bureau of Navigation, to which your letter was referred, reports as follows:

"The Bureau of Navigation recommends that the request of the Lake Torpedo Boat Company be not granted. If granted the Government would incur a responsibility in regard to the lives not in Government employ, and material not owned by the Government, which would not be warranted."

In view of the above report the Department is constrained to decline to comply with your request. Hon. E. J. Hill was advised of this action on the 11th instant.

Very respectfully,

CHAS. H. DARLING,
Acting Secretary.

The LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn.

he has an immensely valuable machine for defensive operations, but I agree with you that even if he participated in the defense of Newport, it would not to any extent add to the official test which the Government would require.

The captain desires very much to go to Newport precisely as he went to the Oyster Bay review, on his own account, and I desire for him, as I would for any other constitutent, that he receive the courtesies of the naval officers there in the way of privileges of the yard in case he so desires. He is a refined and educated gentleman in every sense of the word, modest and unassuming, and I do not know when I have met a person more thoroughly posted in his own affairs than Captain Lake is.

Understand me, I have not the slightest interest in his company, either financially or otherwise, except the interest which I have in the welfare of every constituent, and I want to see these people succeed if they have the merit which they claim to have in their proposition.

Will you kindly advise me, in the first place, whether there would be any objection to Captain Lake taking his boat to Newport on the part of the Navy Department, and, if he did so, whether it would in any way prejudice him before the Department; second, kindly advise me as to the date when the attack is to be made on Newport; third, if the specifications for the official tests which are to be made between the various torpedo boats later in the month are prepared, will you as early as possible, and in advance of the tests, furnish me with copies of the same? It seems to me it is entirely proper that all parties who enter should have a reasonable time for preparation, as the question of supplies and provisions, etc., might enter as a factor in the problem of a cruise, say from New York to Newport News, if such cruise was contemplated by the torpedo boats unattended by other vessels; also the question of other supplies, and it seems to me entirely proper that they should know substantially what the specifications of tests are to be made.

I do not know that this particular matter is part of the work of your office, but knowing your general good nature, I write to you with the understanding that if the matter is not under your immediate direction you will refer it to the party who has such immediate direction and control.

With kind regards and thanking you for your trouble hitherto, I am,

Very truly, yours,

E. J. HILL.

[Second indorsement.]

NAVY DEPARTMENT, *August 21, 1903.*

Respectfully referred to the commandant of the second naval district.

Captain Lake, with the *Protector*, expects to visit Newport. You will please see that he is given every opportunity to see everything under naval control which it is proper for him to see, and you will afford him every opportunity for care of his vessel as is practicable.

Please inform the commandant of the training station and the commanding officer of he torpedo station of this visit, and the instructions from the Department in reference thereto.

CHAS. A. DARLING, *Acting Secretary.*

[Third indorsement.]

HEADQUARTERS SECOND NAVAL DISTRICT,
Narragansett Bay, R. I., August 24, 1903.

Respectfully referred to the commandant naval training station, and to the inspector of ordnance in charge naval torpedo station, Newport, R. I., for their information.

Return of this paper is requested.

F. E. CHADWICK,
Captain, U. S. Navy, Commandant.

[Fourth indorsement.]

UNITED STATES NAVAL TRAINING STATION,
Newport, R. I., August 24, 1903.

Respectfully returned to the commandant second naval district. Contents noted.

W. W. MEAD,
Captain, U. S. Navy, Commandant.

in dry dock for painting and cleaning preparatory to trials, which we expected, from the Department's letter of July 23 last, would be held this month, but was postponed, we understand, at the request of a competitor, who stated by its representative, Mr. C. E. Creecy, before the Senate Committee on Naval Affairs on May 31, 1902, "We are ready if he (Lake) had his boat here to-day to go into competition with him."

The writer has previously visited Washington several times in reference to these trials to ascertain the time they were to be held and their nature, but found that the board having the matter in hand had not yet completed its programme. We understood, however, in the course of our last visit, that it was their intention to have the same completed so as to give the competitors at least fifteen days' notice of the nature of the tests. We would appreciate it if this information could be given out earlier than this, if practicable, as our boat will need to be dry docked again, and must make the voyage from New York to Newport. Consequently it will not give us as much time as we would like in which to try out any features of the test which may be prescribed and which may not already have been performed.

In view of the fact that these tests have already been postponed until late in the season, we would ask that there be no further postponement, and that, in case the *Fulton* should not be ready at the time set, a competitive test may be held with one of the Government submarines now in commission at Newport. These Government boats, we understand, are of the same model, and have been built subsequently to the *Fulton*, and consequently should be the superior vessels. We should like to have the Department's views on this request, as we have already been put to great additional expense in completing our boat for the tests provided for in the naval appropriation act providing for the increase of the Navy, approved March 3, 1903, in order to be ready in case the tests should have been ordered early in the past summer, as we judged to be probable, in view of the statements of the Holland Company's representatives that they had been ready some months previous. The right to have these tests with the Government boat would, we believe, come within the provisions of the act above referred to, and the Holland people should not object to it in view of their president's statement before the House Committee on Naval Affairs, May 21, 1902. (See testimony of Mr. Rice, House Doc. No. 123½, pp. 46, 47, "Willing for competition.")

Very respectfully,

THE LAKE TORPEDO BOAT COMPANY,
SIMON LAKE, *President.*

Hon. WILLIAM H. MOODY,
Secretary of the Navy.

[First indorsement.]

NAVY DEPARTMENT, *October 14, 1903.*

Respectfully referred to the board of inspection and survey for report and recommendation.

By direction of the Secretary of the Navy.

B. F. PETERS, *Chief Clerk.*

[Second indorsement.]

BOARD OF INSPECTION AND SURVEY,
NAVY DEPARTMENT,
Washington, D. C., October 16, 1903.

Respectfully returned to the Department.

The maximum speed of each vessel will be determined under all conditions under which the boat could operate; the ability of each boat to perform the services at sea required of a submarine vessel acting against an enemy either from a shore or sea base will also be determined; the board will also make such trials as it may consider necessary to demonstrate the radius of action of each vessel when running in a totally submerged and other conditions. Such will be the general character of the trials.

It is recommended that the trials now authorized to be held on the 16th of November be proceeded with by one competitor even in the absence of the other, and that the Department now so inform each competitor.

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

(35.)

THE LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn., November 10, 1903.

SIR: Referring to your communication of the 9th instant in reference to the *Protector* being ready for the competitive trials to be held at Newport on the 16th instant.

The *Protector* will be at Newport on that date, at the time set by the programme sent us by the Department, and will be fully prepared to carry out the series of trials laid down in the programme referred to above.

Very respectfully,

THE LAKE TORPEDO BOAT COMPANY,
By A. M. DEAN.

Capt. C. J. TRAIN, U. S. Navy,
President Board of Inspection and Survey,
Navy Department, Washington, D. C.

(36.)

THE LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn., November 14, 1903.

SIR: Referring to the board's request for complete general and detail drawings and specifications of our submarine torpedo boat *Protector*, we would respectfully state that we are loaning the same to the board for the purpose of making up their report, and if the Government later decides to purchase the *Protector* we will, of course, furnish complete plans and specifications with her; but in view of the fact that these plans and specifications are the result of twenty years' study and investigation and have cost over $300,000 to develop, we do not care to have them placed on file, where the information contained therein could be obtained by others.

We would therefore request their return, without any copies being made, as soon as report is completed by the board.

Very respectfully,

THE LAKE TORPEDO BOAT COMPANY,
By SIMON LAKE, *President.*

Capt. C. J. TRAIN, U. S. Navy,
President Board of Inspection and Survey.

(37.)

THE LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn., November 18, 1903.

SIR: I have the honor to report the arrival of the submarine torpedo boat *Protector* to participate in the trials of submarines, to be held under the auspices of the board of inspection and survey.

During our trip up the sound we met with a slight mishap to our starboard propeller-reversing mechanism. The blades on this propeller have been broken twice before during the past year, without, however, any apparent injury to the reversing gear. It is probable now, though, that the yoke holding the blades in place may have been strained to some extent, thus permitting cutting on the reversing sleeve, which, however, held until the rough seas encountered on our trip up the sound caused it to give way. This necessitated our coming in under one screw from Point Judith.

We have made an examination of the injury this morning, and have come to the conclusion it would not be wise to enter into the trials until proper repairs can be made. To do this we must go into dry dock, and the work will require at least two days after docking two days hence. It will probably be a week at least before we shall be ready again, and we shall promptly advise the board when we are again prepared for trial.

The nature of the injury is such that it can be properly avoided in the future.

Very respectfully,

SIMON LAKE, *President.*

Capt. C. J. TRAIN, U. S. Navy,
President Board of Inspection and Sur

may be no misunderstanding or doubt that they are to be the subject of the test.

Very respectfully,

THE LAKE TORPEDO BOAT COMPANY,
By SIMON LAKE, *President.*

Hon. WILLIAM H. MOODY,
Secretary of the Navy, Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *November 14, 1903.*

Respectfully referred to the board of inspection and survey for report and recommendation.

By direction of the Secretary of the Navy:

B. F. PETERS, *Chief Clerk.*

[Second indorsement.]

BOARD OF INSPECTION AND SURVEY,
NAVY DEPARTMENT,
Washington, D. C., November 27, 1903.

1. Respectfully returned to the Department.

2. Referring first to the recommendation made by Mr. Lake in paragraph 2 (*a*) of his letter, the board is of the opinion that the only maximum surface speed that is of any value for the purpose of a comparison or competition to establish the relative merits, for submarine warfare, of the competing vessels under trial is that obtained when using as a propelling power only that by which the maximum radius of action on the surface can be obtained. To couple the electric motors and the gasoline engines and operate the two together results in reducing the distance, or speed, or both, that the vessel can run totally submerged, by consuming the electrical power, which is the only source of energy when the vessel is operated submerged. Since coupling the two motive powers together can only result in an unimportant increase of speed above that obtained with the gasoline engine alone, it is considered that this slight increase, which at its best would still leave the submarine with a surface speed greatly inferior to that of any vessel (battle ship, cruiser, or surface torpedo craft) of a modern fleet, would be obtained at a prohibited cost, as it would result in the sacrifice of a part of the endurance of the vessel, or of its speed, when submerged—qualities which constitute vital features in the successful operation of a submarine vessel.

3. The board had already informed Mr. Lake, previous to the date of his letter, that at his request it would give the *Protector* an opportunity to show the speed that it can make under the condition of propulsion in question, viz, with the gasoline engines and electric motors operating together, but it is considered important that the requirements of such a trial should not be formally added to the official programme, as the board attaches no value whatever to the surface speed obtained in this manner, or in any other that requires a sacrifice of the qualities of endurance or speed of the vessel when running totally submerged. While the board, therefore, sees no objection to making the speed under this condition of operation of the *Protector* a matter of record in the case of the *Protector*, yet it believes it to be highly inexpedient to incorporate such a requirement in its official programme of tests, since it would appear to indicate that the Department attached some importance to a condition of operation of the vessel which, in the board's opinion, would never be used in actual service.

4. The endurance trials referred to in paragraphs 2 (*b*) and 2 (*c*) of Mr. Lake's letter are already sufficiently covered by trials described in paragraph VII of the programme of competitive trials, and it is the board's intention to have the period of twenty-four hours during which the entire crew shall remain on board the vessel passed at sea, under way, and during a portion of this time to have the vessel perform certain prescribed evolutions of attack as specified under the head of "Service trials" in the board's programme, so as to thoroughly demonstrate the endurance of the vessel under as severe conditions of weather as circumstances may per

5. It is therefore recommended that the [illegible] Boat Company be informed that the Department does [illegible] advisable to make the additions to the [illegible] s of

First. A speed trial over the measured mile at the maximum speed of which the vessel is capable.

Second. A speed trial in the deck-awash condition over the measured mile at the maximum speed, using gasoline engines and motors combined, if desired, the boat to completely submerge within three minutes on signal from the board after completing the course.

Third. A trial in the subsurface condition with only omniscope and air duct above the surface of the water, at the maximum speed obtainable, to submerge in thirty seconds after completing the course on signal from the board.

The object of this test is to show that it is practicable to run the *Protector* in a practically submerged condition under the gasoline engines, which will extend the radius of action in this condition at least ten times that of the electric storage battery. We would also like tests to be made to see how close the submarines could approach a ship in this condition without being seen with the naked eye. Our experience is that we can approach within torpedo range under most conditions of weather and sea, but we would like the board to verify this.

Fourth. A submerged run over the mile course at slow speed. As many naval officers of high attainment have stated that it is desirable at times to approach an enemy at slow speed and with the least disturbance of water possible, especially in smooth water, and we claim that it is not necessary to secure a comparatively high rate of speed in the *Protector* to control her in a vertical place, we ask this test to bring out her facility of action in this respect.

Fifth. A submerged run on bottom to show the vessel's ability to be navigated in this manner, to remain at rest, to back, to come to the surface for observation, or to follow a devious channel in a submerged condition by running according to the charted depths.

Sixth. A test to show the ability of members of the crew to leave the vessel while in a submerged condition.

The object of this test is to show that it would be possible for the crew to escape in case the vessel became disabled or entangled while submerged.

Seventh. A test to show the ability of the boat to back, under gasoline engine, which under some circumstances might be a valuable feature.

Eighth. A test to show the ability to charge batteries while cruising in a surface or awash condition.

The object of this trial is to show that it is practicable to continually renew the electrical energy while under way, even in a practically submerged condition, making intermittent submergences. This might prove of great value in an extended attack, as when a first attempt to intercept and torpedo an enemy has been futile.

Ninth. A test to show the cooking and living facilities on board the *Protector*. For this purpose the entire board are invited to dine on board, while dinner will be cooked with her own cooking facilities, either on the surface or preferably submerged, as the board may desire.

Tenth. A test to determine the time necessary to pass from the deck awash, cruising condition, to entire submergence.

As this is the condition the *Protector* would be cruising in if on her station or on picket duty in time of war, which condition permits "an all around view of the horizon," we would request that this test be made to distinguish from the light condition as specified in the official programme, which light condition would be used only in making a change of base or going to or from her station when no enemies were reported in the vicinity.

Eleventh. The ability while on picket duty on an offshore station to establish telephonic or telegraphic communication with the shore while in a submerged or surface condition.

The value of this test should be obvious, as it permits of the submarine being advised from distant points of the movements of the enemy, and the submarine being in constant touch with headquarters on shore, it practically extends its radius of sight and sound to the limits of the connecting wires. By running wires from the submerged station to the life-saving wires along shore it would be practicable to establish submarines on picket duty on offshore stations at almost any desired point along our coast lines and at slight expense. With these facilities, combined with habitability and seaworthiness, the submarine can occupy a strategic position off the coast enabling her to defend a comparatively large territory.

Twelfth. A test to determine how closely the *Protector* may approach an enemy without detection.

The object of this test is to show the value of our omniscope.

the board of inspection and survey, I have to inform you that the board of inspection and survey, to which your letter was referred, has submitted the following report, which is approved:

"The board considers that all essential data which it is proposed by the Lake Torpedo Boat Company to place upon record by the means of the trials proposed by them will be more satisfactorily determined by the trials already provided for in the 'General programme of competitive trials,' which has already been approved by the Department.

"The board proposes, in carrying out the trials prescribed in that programme, to use all due discretion in affording to the various competitors proper opportunity of fully demonstrating the qualities their vessels possess for successfully carrying on the operations of submarine warfare, but it believes it to be undesirable to encumber the programme with unnecessary trials. The trials should demonstrate the ability of the competing vessels to actually perform, under as nearly as possible service conditions, the operations of attack that would most frequently be followed in submarine warfare, rather than to bring into prominence the possession of some patented feature of design that is the exclusive property of one contestant and which does not materially add to the general efficiency of the vessel."

For the above reasons it is considered desirable that no change be made in the programme of trials already approved by the Department.

Very respectfully,

CHAS. H. DARLING, *Acting Secretary.*

THE LAKE TORPEDO BOAT COMPANY,
Newport, R. I.

(42.)

THE LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn., December 21, 1903.

SIR: We are now ready for the services of Lieut. John Halligan, jr., to assist us in torpedo practice preparatory to the trial of the submarine torpedo boat *Protector.*

We were assured on our recent visit to the Department that he would be permitted to join us temporarily for this purpose, in view of his familiarity with the *Protector* and her method of handling the torpedoes.

Very respectfully,

THE LAKE TORPEDO BOAT COMPANY,
By SIMON LAKE, *President.*

Hon. W. H. MOODY,
Secretary of the Navy, Washington, D. C.

(43.)

BUREAU OF NAVIGATION,
Washington, December 26, 1903.

SIR: Agreeably to your request of the 21st instant, the Bureau has to-day ordered Lieut. John Halligan, jr., U. S. Navy, to proceed to the Lake Torpedo Boat Company, for special temporary duty in connection with the trial of the *Protector*, and to return on board the U. S. S. *Glacier* by January 10, 1904.

Respectfully,

J. E. PILLSBURY,
Assistant to Bureau.

THE LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn.

(44.)

THE LAKE TORPEDO BOAT COMPANY,
Newport, R. I., January 2, 1904.

SIR: We have the honor to report that pursuant to the instructions of the Department the submarine boat *Protector*, now at Newport, R. I., is ready for

WASHINGTON, D. C., *January 9, 1904.*

SIMON LAKE,
Submarine Torpedo Boat Protector, Newport, R. I.:

Board will arrive for trials *Protector* at 9 a. m. Tuesday, 12th instant.

TRAIN.

(46.)

NAVY DEPARTMENT,
Washington, January 7, 1904.

SIRS: Replying to your letter of the 2d instant, reporting the submarine boat *Protector* now at Newport, R. I., and ready for trial, in accordance with the programme of tests as formulated and published by the board of inspection and survey and promulgated by them for that purpose, I have to inform you that the board of inspection and survey will proceed to Newport, R. I., for the trial of the *Protector* as soon as Narragansett Bay is clear of ice.

Very respectfully,

W. H. MOODY, *Secretary.*

THE LAKE TORPEDO BOAT COMPANY,
Newport, R. I.

(47.)

THE LAKE TORPEDO BOAT COMPANY,
Newport, R. I., January 11, 1904.

SIR: It is our desire to anticipate the examination of the *Protector* by the board of inspection and survey by a brief statement regarding certain of the present features of the boat. We believe we may thus facilitate the board's work and help to a better understanding of the craft's condition and probable performance.

The speed and endurance of the *Protector* will fall considerably below our original estimate. This will be due to the present inefficient screws—fitted the day before we left Bridegport—which have been tried out progressively over the official mile course since our arrival here. The results of these trials are given in the following table, which we shall be glad to have verified by the board and incorporated accordingly in its report. It will be seen that the ratio of slip is out of all reason and that speeds are way below the proper resultants of the power of the engines under their various conditions. New screws have been designed, based upon the findings of these performances, and corrections have been made which promise us a speed of 10 knots under light cruising condition.

Average runs of Protector over Government course of 1 knot at Newport.

Trial number.	Average time.	Pitch.	Rev. per.	Speed rev.	Actual speed.	Developed horsepower.	Slip.	Slip.	Remarks.
	′ ″	′ ″			*Knots.*		*Knots.*	*Per ct.*	
1	9 50	4 0	280	11.2					Engines alone, water in after tanks and superstructure to get stern down.
					6.1	224	5.1	45	
2	8 00	5 0	240	12.0	7.5	192	4.5	37	
3	8 30	4 5	264	11.88	7.44	211	4.44	37	Engines only, no water in tanks.
					8.0	390	7.6	49	
4	7 30	5 0	312	15.6					Engines and motors.
					6.0	140	2.75	34	Engines alone not very steady owing to slow speed.
5	10 00	5 0	175	8.75					
6	15 30	2 5	--------	--------	3.8	100	--------	--------	Motors alone submerged.

In trial No. 4 the engines developed 249 horsepower and the motors 141 horsepower, making a total of 415 horsepower for both.

the rudders, and the construction of the storage batteries by which the boat is propelled when entirely submerged.

5. Although these defects seriously affect the speed of the vessel, its endurance—both under the electric motors and the gasoline engines—and other important qualities of the vessel, they requested an immediate trial of the *Protector*, proposing that if the Government would agree to accept their vessel, they would then correct these defects and deliver to the Government a much more efficient vessel than that which they then presented for trial.

6. In the board's opinion, this proposition is entirely in conflict with both the spirit and letter of the act of Congress under which this trial is held, and in order to avoid any misunderstanding and prevent the possibility of undesirable controversies following the trial of any vessel which may be authorized in accordance with the act of Congress referred to above, and to preserve strict impartiality to all competitors, it is recommended that the Lake Torpedo Boat Company be informed as follows:

"The naval appropriation act approved March 3, 1903, authorizing the Department to contract for or purchase subsurface or submarine torpedo boats, provided that said purchase or contract should be preceded by comparisons or competitions with the boats already in the Government's possession or those of any private competitor. In order to afford a basis for these comparisons or competitions and to determine whether the boats presented for trial would, if accepted by the Navy Department, fulfill all reasonable requirements for submarine warfare, the Department prepared a "General programme of competitive trials of subsurface and submarine boats," a copy of which was furnished to all competitors who had expressed a desire to enter these tests. Since the act, under which these tests are conducted in accordance with this programme, provides for the tests of a completed boat, the actual results attained by said boats when tested by the trial board will be considered as final for the purposes provided for in this act. It is desired, therefore, that before you apply for a competitive trial of your boat you will furnish the Department with a formal statement in writing to the following effect, viz:

"'That the boat which you submit to the Department for test is at that time finally completed, and that you are prepared to accept as final, for the purposes of this act, the results which your boat is capable of developing on trial at the present time.'

"It is important that this should be clearly understood, as, in view of the competitive character of these trials, the Department can not allow them to be repeated, but will insist that the results of these trials, when once held, must be considered as final in the matter of determining the relative merits, under the act of Congress aforesaid, of the various competing boats."

7. It is recommended that similar communications be sent to the Holland Torpedo Boat Company and any other persons who may have applied for permission to submit subsurface or submarine torpedo boats for tests under the act in question.

Very respectfully,

C. J. TRAIN,
Captain, U. S. Navy, President.
L. C. LOGAN,
Captain, U. S. Navy, Member.
J. J. WOODWARD,
Naval Constructor, U. S. Navy, Member.
W. C. COWLES,
Commander, U. S. Navy, Member and Recorder.
I. S. K. REEVES,
Lieutenant-Commander, U. S. Navy, Member.

The SECRETARY OF THE NAVY.

(49.)

[Inclosure A.]

THE LAKE TORPEDO BOAT COMPANY,
Newport, R. I., January 11, 1904.

SIR: It is our desire to anticipate the examination of the *Protector* by the board of inspection and survey by a brief statement regarding certain of the present features of the boat. We believe we may thus facilitate the board's work and help to a better understanding of the craft's condition and probable performance.

(50.)

NAVY DEPARTMENT,
Washington, January 19, 1904.

SIRS: Your letter of January 11, 1904, to the board of inspection and survey, relative to the test of the submarine boat *Protector*, has been referred to the Department. You are informed that the naval appropriation act approved March 3, 1903, authorizing the Department to contract for or purchase subsurface or submarine torpedo boats provided that said purchase or contract should be preceded by comparisons or competitions with the boats already in the Government's possession or those of any private competitor. In order to afford a basis for these comparisons and to determine whether the boats presented for trial would, if accepted by the Department, fulfill all reasonable requirements for submarine warfare, the Department prepared a "general programme of competitive tials of subsurface and submarine boats," a copy of which was furnished to all competitors who had expressed a desire to enter these tests.

Since the act under which these tests are conducted in accordance with this programme provides for the test of a completed boat, the actual results attained by said boats when tested by the trial board will be considered as final for the purposes provided for in this act. It is desired, therefore, that before you apply for a competitive trial of your boat, you will furnish the Department with a formal statement in writing to the following effect, viz:

"That the boat which you submit to the Department for test is at that time finally completed and that you are prepared to accept as final, for the purposes of this act, the results which your boat is capable of developing on trial at the present time."

It is important that this should be clearly understood, as, in view of the competitive character of these trials, the Department can not allow them to be repeated, but will insist that the results of these trials when once held must be considered as final in the matter of determining the relative merits, under the act of Congress aforesaid, of the various competing boats.

Respectfully,

CHAS. H. DARLING, *Acting Secretary.*

THE LAKE TORPEDO BOAT COMPANY,
Bridgeport, Conn.

(51.)

NAVY DEPARTMENT,
BOARD OF INSPECTION AND SURVEY,
Washington, May 16, 1904.

SIR: The board desires to inform you that the Holland Torpedo Boat Company has reported to the Navy Department that their submarine boat will be ready for competitive or comparative trials in accordance with the act making appropriations for this purpose on the 30th instant, and to suggest that if your boat should be at the same time in all respects ready for this trial it would be of advantage for trial purposes that the two boats be tried at the same time. In this connection it may be stated that the board will proceed with the trial of the Holland boat as soon after the 30th instant as practicable. It is requested that the board be informed of your intentions in this matter at as early a date as practicable.

Very respectfully,

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

Mr. SIMON LAKE,
President Lake Torpedo Boat Company, Bridgeport, Conn.

(52.)

Lake Torpedo Boat Company's protest against the publication of report of the board on inspection and survey on Fulton and submarines, containing only partial reference to Protector, request of nonapproval of report, and the granting of an appeal to the Navy Department under acts of 1904 and 1905.

OFFICE OF LAKE TORPEDO BOAT CO.,
Washington, June 24, 1904.

Hon. WILLIAM H. MOODY,
Secretary of the Navy, Navy Department, Washington, D. C.

SIR: For reasons hereinafter stated, on behalf of the Lake Torpedo Boat Company, a protest is entered against the publication of the report made by the

But a careful examination of the report submitted to you fails to disclose any reference to this fact, or any explanations why the findings of those boards were utterly disregarded and ignored.

6. As announced to you by Constructor Woodward, the report has been "specially prepared for publication." On its face this is mainfestly so.

It assumes the form of an official, pictorial advertisement of the Holland boats. It seeks, under Government auspices, to discredit a rival boat and make the United States Government a party to an undignified and discreditable advertising scheme, studiously ignoring and indulging in insidious and irrelevant reference to another type of boat, already highly recommended by the General Staff of the Army.

7. There appears to be no good reason at this particular time why the Navy Department should now depart from its policy to refuse any information on submarines to the public—even Congress (except in one instance, when correspondence on file in the Department was obtained by a member of the Senate).

8. In other respects the report is self-contradictory and in its recommendations violates the letter and spirit of the acts of Congress for years 1904 and 1905.

The Lake Torpedo Boat Company would further ask for the allowance of an appeal from the findings and recommendations in the report of the board to the Navy Department for consideration of "all reasonable requirements for submarine warfare," as provided by law, for the several reasons hereinafter set forth:

1. The findings and recommendations are contrary to the facts disclosed in the report, and do not show that the *Fulton* meets "all reasonable requirements" and is "superior to Government submarines," because the *Fulton* speed was less than *Adder*, and she failed, among other things, to do the only thing she was built for—namely, hit a target in a reasonable number of shots.

2. It appears that the *Fulton* has been compared with the Holland boat already owned by the Government, thus making the Holland type the standard of comparison, notwithstanding its condemnation by chiefs of bureau of your Department, and in utter disregard of a type of boat that the General Staff has declared to be superior to the Holland.

3. According to a circular issued by your Department, a submarine boat, to be satisfactory to the Navy Department for the purposes indicated, should possess the following requirements, stated in order of importance:

(1) Safety.
(2) Facility and certainty of action when submerged.
(3) Speed when running on the surface.
(4) Speed when submerged.
(5) Endurance when submerged and on surface.
(6) Offensive power.
(7) Visibility of object to be attacked.

The report states the *Fulton* speed to be: Light, 7.863 knots; cruising, 6.133 knots; submerged, 6.75 knots.

The *Adder*, by which the board gives a superiority to the *Fulton*, made an official record of: Light, 8.732; awash, 8.12; submerged, 7.08 knots.

With less speed than the *Adder*, the *Fulton* is declared to be superior to the Government submarines. Comment is unnecessary.

The *Fulton* failed to hit target. Comment is unnecessary.

The type with which the *Fulton* has been compared does not possess the eight requirements satisfactorily, as appears from the testimoney of Rear-Admirals Bowles, Melville, O'Neil, and Bradford.

Nowhere in the report submitted to you does it appear, except in some unessential features not affecting results, that the *Fulton* is superior to the *Adder* in these essential and "reasonable requirements."

4. From the report it appears that the Department should pass upon the firing efficiency of the *Fulton* in meeting "reasonable requirements" in discharging torpedoes—an essential feature of submarines, it is submitted.

5. From the statements made in report, it does not appear that the *Fulton* meets such "reasonable requirements" as should commend it, or boats of its type, to your satisfaction or the Department, as provided by law. Having failed absolutely in all attempts to do what it reasonably should be required to do as an effective submarine and must necessarily do if it would prove

an efficient weapon of warfare and satisfy you, namely, hit a target with a reasonable degree of certainty and frequency, after three several attempts.

6. In its recommendations the board seems to have utterly ignored "reasonable requirements" as measured by the needs of coast defense. The army staff made the following statement:

"There is no doubt whatever that boats of the Lake *Protector* type would be a most valuable adjunct to harbor defense from an Army standpoint."

And Congress, we gather, had in view the requirements of the Army as well as the Navy, as shown by its action.

It will be noted that the recommendations of the board as to the number of Hollands to be purchased, if acted upon by you, would preclude any test, competitive or otherwise, after the 1st day of July, 1904, and this would be, we respectfully submit, in violation of the provisions of the act for 1905.

It is respectfully submitted that the statute did not contemplate that the board on inspection and survey should do more than to make a report with recommendations, and that what were "reasonable requirements" should be determined by the Navy Department and tested to the satisfaction of the Secretary of the Navy.

We accordingly ask that the Navy Department be given the opportunity contemplated by law to pass on "reasonable requirements."

We know that it is your desire that the Government should purchase submarines only after the fullest and fairest test or comparison, in order that the Government may become the owner of the boats of greatest efficiency.

It would appear from the records that the request of this company to have competitive test with the Holland Government submarine was refused, and that there has not been up to this time an actual comparison between the Fulton and the Lake boat.

The only report of examinations on behalf of the Government on file is that of the army board and staff, which tested the Holland and Lake boat and declared the Lake boat was superior.

In view of the condition of affairs, it is respectfully urged that the Government is not warranted in making the contracts as recommended by the report.

At the time of notice of the recent test it was impossible for this company to be at Newport with the *Protector* for a competitive test with the *Fulton*, a thing the Lake company had long sought, but which had been declined from time to time by the Holland company.

It had been intimated to officers of this company by a member of the board that the *Protector* would not be purchased, but if satisfactory, only contracted to be built. The report proves the intimation by recommending not purchase, but contract for Hollands—the *Fulton* not being for sale to the United States either before or after tests, as was intimated to you.

In view of the experiences, the Lake company, unable to get satisfactory tests, was obliged to seek present profit and such reward as awaited it abroad.

Should you, Mr. Secretary, conclude to contract for the building of submarine boats, relying upon comparisons alone, this company respectfully asks your consideration of the matters set out in the army reports, hereto attached, and requests the contract of boats under like conditions with others.

However, before any contracts are awarded, the following suggestion is respectfully offered for your serious consideration, namely, that what may constitute "reasonable requirements" be first determined by the General Board; or, in view of the fact that the Navy, at its own request, obtained jurisdiction over the recommendations of the army board and staff report during the last Congress, such requirements be determined by the joint Army-Navy board.

This company is ready to build, under Government inspection, a boat which will meet all the performances of the *Fulton* and contain many additional well-known features, which will render it a more efficient weapon for submarine warfare from both the Army and Navy standpoint. It will give a bond satisfactory as to amount and sufficiency for the return of all money that may be paid in case of failure to construct a boat that will fulfill "all reasonable requirements."

Notice is hereby given of the infringement of Lake patents by the Government if it adopts all the recommendations of the board's report and acts thereon.

Respectfully submitted.

Very truly, yours,

THE LAKE TORPEDO BOAT COMPANY,
By FRED. B. WHITNEY, *Vice-President.*

[First indorsement.]

NAVY DEPARTMENT, *June 25, 1904.*

Respectfully referred to the board of inspection and survey for its consideration and comment.

DARLING, *Assistant Secretary.*

[Second indorsement.]

BOARD OF INSPECTION AND SURVEY,
NAVY DEPARTMENT,
Washington, D. C., June 29, 1904.

Respectfully returned to the Navy Department.

After a careful reexamination of the report referred to within, the board can find nothing that warrants the letter of the vice-president of the Lake Torpedo Boat Company.

The only references to the *Protector* are in the preliminary statement in explanation of the delays in the trials authorized, and of the fact that only one of the two companies that originally notified the Department they desired to present boats for trial, was represented. No opinion is expressed in regard to the merits or demerits of the *Protector*, and a copy of the letter from the president of the Lake Torpedo Boat Company, from which material is used, is given in full in the appendix.

Although the board considers the report itself a sufficient answer to the extraordinary charges made in this letter, it is possible they may influence those who have neither the time nor opportunity to examine the report. It is therefore recommended that the within letter, together with the report of the board of inspection, be referred for consideration to the board on construction, which, in its indorsement, dated July 21, 1903, prepared the list of principal points to be considered, from which the programme of trials was formulated.

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

[Third indorsement.]

NAVY DEPARTMENT, *July 2, 1904.*

Respectfully referred to the board on construction.

By direction of the Secretary of the Navy.

B. F. PETERS, *Chief Clerk.*

(53.)

Proceedings held in office of Secretary of the Navy, June 24, 1904.

Present: Secretary Moody, Assistant Secretary Darling, Hon. E. J. Hill, and Mr. Fred. B. Whitney.

Secretary MOODY. Judge Darling agrees with me on two propositions—first, that the Department has the legal right to expend the whole or any part of the $500,000 appropriated in the act of 1903 without affecting the amount that would be available for expenditure on the 1st of July under the act of 1904, believing that the $850,000 appropriated in the last-named act is to be made up (1) of what, if anything, there is left on the 1st day of July over from the 1903 appropriation, and (2) from a sufficient sum of new money appropriated to make up the $850,000. We agree, second, that it would not be expedient to expend that money before the 1st day of July. The citations which Mr. Hill has made from the debate lead us both to believe that Congress did not contemplate that we should expend any more money than that already expended out of the $500,000, and did intend that we should have from the date of the debate $850,000 more.

Mr. HILL. Is there any question about that?

Secretary MOODY. We therefore think that a regard for Congress and a desire to comply with its real wishes should lead us, in the absence of any great public emergency, to refrain from further use of the $500,000. Therefore no action will be taken toward the expending of any of this money in the present fiscal year.

Now, then, as I go out of this Department on the 1st day of July, it is not practicable for me to take up any of these subjects, because I have no power to act upon them. They should go to my successor. There is, however, one matter which is of very great public importance, much greater than this appropriation, or submarine boats, or the Navy itself, for that matter. That is the question of the integrity of these officers who make up this board. There have been vague insinuations, from time to time, in this or that quarter, that one or more members of this board have been improperly prejudiced—prejudiced by improper means—by improper if not corrupt methods. If this is so, we want to know it in the Department. Mr. Whitney related to me the other day some conversations he had had with Captain Lake which would indicate that something was going on that was not just right. I then said to him: "If you will become responsible for any charge respecting the integrity of this board, that shall be the very first consideration. No action of any kind will be taken until that subject is investigated rigidly. If you will become responsible for these charges, I will appoint a board which shall be satisfactory to you to investigate them to the limit. I will appoint the Assistant Secretary at the head of that board. Is he satisfactory?" And he said, "Entirely so." Mr. Whitney said to-day, before you came, Mr. Hill, that he is not prepared to make any charges affecting the integrity of this board. I would like to have Mr. Whitney state, whether or not, he has any charges which he thinks ought to be investigated.

Mr. WHITNEY. I think there has been bad bias on the part of some members of this board, and there is correspondence in the Department which will show the entire thing.

Secretary MOODY. Is there anything which you think is corrupt?

Mr. WHITNEY. Do you mean money which has been given them? I know of no officers who have received any money.

Secretary MOODY. Money or anything else. If there is anything of this kind going on I want to put an electric light on it.

Mr. WHITNEY. What I say is hearsay, and I believe there has been bias and attempts to work both ends from the middle. I am not prepared to state that there is any corruption.

Secretary MOODY. Or anything that approaches or resembles corruption?

Mr. WHITNEY. As a lawyer, I would not say that there has been any.

Secretary MOODY. I want to find it and punish it if it is there.

Mr. HILL. I know, as a personal participant in the debates of Congress and as the author of the original resolution, what the intention of Congress was, and it was that the United States Government should place absolute confidence in the discretion of William H. Moody to see that if any purchase of submarine boats was made it should only be made after test, and that it should be determined by actual competition, not a theoretical one, and I believe that the Secretary, when he wrote the letter of July 23, had precisely the same information. Subsequent to that letter, a date having been fixed, I came here. You called in Captain Train, and it was learned then that there had bee a postponement, The boat of my constituents was ready to go into the contest, and it was announced here by Captain Train that the other boat was not ready, and that consequently there would be a postponement, and the Secretary himself was not aware that such a postponement had been made until it was announced here in our presence. I said then to Captain Train, "The act of Congress can be complied with if the other boat is not ready, for it distinctly provides that a Government boat may be the competitor and you have six of them," and Captain Train's reply was that it could not be, for he was ready to admit that the *Protector* outclassed any boat which the Government had got.

Secretary MOODY. I do not remember about this.

Mr. HILL. Shortly after that a letter was written from the board of inspection and survey, stating that they would hold a trial, one boat at a time, and the *Protector* people never have been able to get a competitive test. I admit that they had a breakdown at one trial and that the ice covered the bay at another time. The act of Congress never has been carried out.

Secretary MOODY. As I understand it, your view at one time was that if the Holland people would not come up to the scratch, the Government should put in its own boat.

Mr. HILL. Yes, sir; but the Government declined to do it.

Secretary MOODY. This report states, in the first place, the act went into effect July 1, 1903. On July 23 a letter was written to the Lake people and to the *Holland* people that tests would be held, etc. The date was set at October 15.

In the middle of September the Holland people informed the Department that the *Fulton* would not be ready.

Mr. HILL. Having previously testified before the committee that they were ready some time before.

Secretary MOODY. The Department then decided to postpone the tests until November 16, and both companies were so notified?

Mr. HILL. Yes, sir.

Secretary MOODY. On November 7 the board recommended, in view of the fact that the *Fulton* could not be ready for trial on November 16, that they should proceed with the trial of the Lake boat alone.

Mr. HILL. And I claim that the board, through their own action, have overruled the act of Congress. They had no right to say that, unless they were prepared to put in a Government boat as a competitor.

Secretary MOODY. The test may be either by competition or comparison, and there is no need of putting in a Government boat of whose qualities they know. The Lake boat came there prepared to meet the test, and then Mr. Lake said she was not ready for trial. Here is what Mr. Lake says in his letter. He describes the accident by which certain parts of the machinery were injured and then says:

"We have made an examination of the injury this morning and have come to the conclusion that it would not be wise to enter into trials until proper repairs can be made. To do this we must go into dry dock. It would probably be at least a week before we shall be ready again, and we shall promptly advise the board when we are ready for trial."

Mr. HILL. That was on the break of the reversing gear?

Secretary MOODY. Yes; I was sketching the course of proceedings which had led up to the fact that the *Fulton* was making so many delays. The Lake boat appeared for a trial, and owing to an accident was not ready and asked for a further delay.

Mr. HILL. The next one was in January, and the board declined to go on with the trial on account of the ice.

Secretary MOODY. On January 12, 1904, the board assembled at Newport to proceed with the trials of the Lake boat. When the board met Mr. Lake sent them a letter. The letter says that at that time the boat was not fit for anything. I do not mean to say that it is, in that language. It would have been foolish to have had a test where the boat would certainly have had to have been condemned. He says:

"The speed and endurance of the *Protector* will fall considerably below our original estimate. This will be due to the present inefficient screws, fitted the day before we left Bridgeport, which have been tried out progressively over the official mile course since our arrival here. The results of these trials are given in the following table. * * * It will be seen that the ratio of slip is out of all reason and that speeds are way below the proper resultants of the power of the engines under their various conditions. New screws have been designed, based upon the findings of these performances, and corrections have been made which promise us a speed of 10 knots under light cruising conditions. * * * Should the board, after the examination of the boat, find her suitable for naval service, and so recommend, we, contingent upon that encouragement, will make all of these improvements at our expense before turning the vessel over to the Government."

Secretary MOODY. The Lake people knew that all they could show was 3.8 knots, and they knew it would be utterly useless to have a trial.

Assistant Secretary DARLING. That would be a speed that, if they had tried the boat under the conditions that existed, with those screws in the condition that they were in, the boat would have been condemned by reason of speed.

Mr. WHITNEY. Mr. Darling, the Lake boat is different from the Holland boat. The Lake boat goes down on an even keel.

Assistant Secretary DARLING. Don't you concede that there must be certain speed attainable or it is not possible to make use of the submarine boat, and that two or three knots would not be such speed as is required?

Mr. HILL. I think so.

Assistant Secretary DARLING. Is not speed one of the elements that has got to come in, and if the boat was not prepared to make that speed and the boat was tried when she could not make that speed, she would have to be condemned in that condition?

Mr. WHITNEY. I do not so regard it.

(54.)

NAVY DEPARTMENT,
Washington, June 25, 1904.

[Memorandum for the board of inspection and survey.]

After consideration, I do not deem it wise to publish the report of the board of inspection and survey on submarines. I shall take no further action upon the subject, but defer its consideration to my successor, who will take office on the 1st of July.

W. H. MOODY, *Secretary.*

(55.)

THE LAKE TORPEDO BOAT COMPANY,
Washington, July 1, 1904.

SIR: The Lake Torpedo Boat Company has the honor to give the "reasonable notice," and requests to have its submarine boat tested by both competition and comparison with Government submarine boats, or any private competitor, provided there be any such, prior to the purchase or contract for $850,000 worth of submarine boats as provided by the act of Congress taking effect July 1, 1904, for the naval service, as follows:

"The Secretary of the Navy is hereby authorized, in his discretion, to contract for or purchase subsurface or submarine torpedo boats in the aggregate of, but not exceeding, eight hundred and fifty thousand dollars: *Provided*, That prior to said purchase or contract for said boats any American inventor or owner of a submarine or subsurface torpedo boat may give reasonable notice and have his, her, or its subsurface or submarine torpedo boat tested by comparison or competition, or both, with a Government subsurface or submarine torpedo boat or any private competitor, provided there be any such, and thereupon the board appointed for conducting such tests shall report the result of said competition or comparison, together with its recommendations, to the Secretary of the Navy, who may purchase or contract for subsurface or submarine torpedo boats in a manner that will best advance the interests of the United States in torpedo or submarine warfare: *And provided further*, That before any subsurface or submarine torpedo boat is purchased or contracted for it shall be accepted by the Navy Department as fulfilling all reasonable requirements for submarine warfare and shall have been fully tested to the satisfaction of the Secretary of the Navy. To carry out the purpose aforesaid the sum of eight hundred and fifty thousand dollars is hereby appropriated out of any money in the Treasury not otherwise appropriated; and to make up said sum of eight hundred and fifty thousand dollars the sum of five hundred thousand dollars carried, or such parts thereof as may remain unexpended and authorized in the naval appropriation act approved March third, nineteen hundred and three, is hereby reappropriated."

Very respectfully, yours,

THE LAKE TORPEDO BOAT COMPANY,
By FRED B. WHITNEY,
Second Vice-President.

THE SECRETARY OF THE NAVY,
Navy Department, Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT,
July 2, 1904.

Respectfully referred to the Board on Construction.
By direction of the Secretary of the Navy.

B. F. PETERS, *Chief Clerk.*

[Second indorsement.]

NAVY DEPARTMENT, BOARD ON CONSTRUCTION,
September 7, 1904.

Respectfully returned to the Department, inviting attention to the Board's indorsement (second) of this date on proposition from the Electric Boat Company.

The return of these papers, with the Department's action on the above-noted indorsement on letter from the Electric Boat Company, is respectfully requested.

———,
Chief of Bureau of Navigation,
President of Board.

———,
Engineer in Chief, U. S. Navy,
Chief of Bureau of Steam Engineering, Member.
W. L. CAPPS,
Chief Constructor, U. S. Navy, Chief of Bureau of Construction and Repair, Senior Member Present.
H. N. MANNEY,
Chief of Bureau of Equipment, Member.
N. E. MASON,
Chief of Bureau of Ordnance, Member.
A. F. DIXON,
Commander, U. S. Navy,
Representative of Bureau of Steam Engineering.

(56.)

NAVY DEPARTMENT,
Washington, September 12, 1904.

GENTLEMEN: Under date of July 1, 1904, you wrote me as follows:

"The Lake Torpedo Boat Company has the honor to give the 'reasonable notice' and requests to have its submarine boat tested by both competition and comparison with Government submarine boats, or any private competitor, provided there be any such, prior to the purchase or contract for $850,000 worth of submarine boats as provided by the act of Congress taking effect July 1, 1904, for the naval service."

When will your company be ready to make the test above referred to? An early reply will be appreciated.

Yours, respectfully,

PAUL MORTON, *Secretary.*

THE LAKE TORPEDO BOAT COMPANY,
618 Colorado Building, Washington, D. C.

(57.)

THE LAKE TORPEDO BOAT COMPANY,
Washington, September 17, 1904.

MY DEAR SIR: In accordance with your verbal request of this morning, I write to confirm our understanding that the Lake Torpedo Boat Company will offer a submarine for test under its notice of July 1, 1904, at or near Newport News, Va., on the third Thursday of November, 1904.

I will confer with Captain Lake and prepare for you as soon as possible the additional tests which you so kindly granted permission for the Lake Company to have, additional to any the Navy Department may desire, in order to show and record all the exclusive Lake type features which the Lake Company may deem essential to the use of submarines.

Very truly, yours,

FRED. B. WHITNEY,
Second Vice-President.

Hon. PAUL MORTON,
Secretary of the Navy, Washington, D. C.

(58.)

Personal.] THE LAKE TORPEDO BOAT COMPANY,
OFFICE OF THE SECOND VICE-PRESIDENT,
Washington, D. C., September 17, 1904.

MY DEAR ADMIRAL CAPPS: In accordance with your desire of this morning, I send you a list of the documents, letters, and references I referred to in my remarks:

"March 21, 1903. President Rice before Naval Committee, hearing 123½, 1902.

"March 3, 1903. Naval appropriation act for 1904 on submarines.

"June 1, 1903. Lake Company request for trials, with table of tentative tests. (See letter on file in Department of June 1, 1903.)

"July 23, 1903. Department letter stating intention for tests on October 15, etc.

"July 24, 1903. Lake Company letter asking to take part in maneuvers and request for programme of tests.

"August 7, 1903. Department letter, No. 12169–14, on time of furnishing programme.

"August 12, 1903. Department letter, No. 12169–15, refusing maneuver request.

"October 8, 1903. Department letter, No. 16404–4, for tests on November 16.

"October 12, 1903. Letter demanding competitive test with Government submarine in case *Fulton* not competing.

"October 20, 1903. Department letter, No. 12169–20, stating board of inspection and survey's recommendation to proceed with trial of one submarine if other absent.

"October 21, 1903. Department letter, No. 12169–21, transmitting programme.

"November 9, 1903. Captain Train's letter asking if *Lake* ready November 16.

"November 10, 1903. Lake Company's letter answering 'Yes.'

"November 14, 1903. Lake Company's letter loaning drawings, requesting return without copies being made.

"November 16, 1903. Congressional Record, page 2539.

"November 14, 1903. Lake Company's letter requesting assurance of an opportunity for tests to demonstrate maximum speed under motors and engines combined, endurance run at sea, ability to operate in rough seas, etc.

"November 30, 1903. Department letter 12169–22, refusing request of November 14.

"November 30, 1903. Lake Company's request for tests to show its exclusive features, etc., and request that facts be recorded, namely, briefly, maximum speed, speed deck awash using gasoline engines and motors combined, trial in subsurface conditions with only omniscope and air duct above surface to submerge in 30 seconds, measured run at slow speed, submerged run on bottom, ability of crew to leave submerged vessel, cooking and living facilities, time to pass from deck awash to entire submergence, ability on picket duty to establish telephonic communication, test omniscope, sensitiveness and reliability of compass, endurance of at least 100 miles in open sea.

"December 10, 1903. Department letter No. 12169–24, refusing Lake request of November 30.

"January 2, 1904. Lake Company's letter stating ready for trial, insisting on competition with Government submarine or others, asking full opportunity to show capabilities in record, and calling attention to screws not giving reasonable amount of speed for actual power of boat's engines and motors, and requesting due record of facts and conditions involved.

"January 11, 1904. Lake Company's letter calling board's attention again to screws and speed table, unreasonable ratio of slip and proper resultant of power, etc., rearrangement of rudders necessitated for the new screws, and improved patents for batteries, and stating that if board found her suitable for naval service that all these improvements would be made at Lake Company's expense.

"January 16, 1904. Board's report to Secretary stating that ice would prevent trial for several weeks, and that Lake Company insisted on an immediate trial.

"January 19, 1904. Department letter 12169–28 stating that Lake Company will give notice that it is prepared to accept trial as final in view of competitive character of these trials and that Department can not allow them to be repeated, but will insist that the results of these trials when once held must be considered as final in the matter of determining the relative merits under the act of Congress aforesaid, of the various competing boats.

"January 29, 1904. U. S. Army artillery board test of *Protector* and its report of January 21, 1904, and U. S. Army General Staff memorandum No. 19, stating that Lake boat 'will give the nearest approach to absolute protection now known to the board,' and that the staff believed the Lake boat superior to the Holland boats.

"March 15, 1904. Congressional Record, page 343. The adoption of provision in the army fortification bill of a Lake submarine by a vote of 32 to 18 in spite of the Holland circulars to Senators (Cong. Record, 3381) claiming exclusive naval jurisdiction for the Lake submarine when Mr. Creecy, of the Holland Company, had testified before the House Naval Committee that the Army was the proper place for the Lake and the Naval Committee had no jurisdiction to consider vessels of the Lake character. (Hearing No. 123½, p. 57.)

"April 6, 1904. Lake submarine went out of fortification bill in House, the joint board having decided for naval jurisdiction.

"May 16, 1904. Captain Train's letter notified Lake Company that board would test *Fulton* May 30, and suggested presence of *Protector*. *Fulton* and *Protector* had both been sold abroad at this time. *Protector* was dismantled for shipment. Board tested *Fulton*, reported, and on June 24, 1904, Lake Company protested against its publication of action thereunder. Secretary Moody granted request that it be not published, and refused to contract for any Hollands under the act for 1904.

"July 1, 1904. Lake Company notified Department that it desired tests of Lake submarine prior to expenditure of the $850,000 under act for 1905."

I was very much pleased to learn from you that you have been interested in the submarine science from the beginning, and I hope you may be able to find time to look into the subject we discussed and get the submarine affairs into comprehensive shape.

Some time when you are at leisure I would be pleased to visit with you and discuss the development of the science which I feel is in its infancy and of great importance to our country.

Respectfully, yours, FRED. B. WHITNEY.

(59.)

BUREAU OF CONSTRUCTION AND REPAIR,
NAVY DEPARTMENT,
September 22, 1904.

SIR: 1. Your letter of the 17th instant, giving list of documents referred to recently in your verbal presentation to the Secretary of the Navy of certain matters affecting the construction of submarine torpedo boats, duly received, and the Bureau begs to express its appreciation of your courtesy in this matter.

2. The Bureau will at all times be pleased to receive and consider such official communications as you may desire to submit in reference to the subject of submarine-boat construction.

Very respectfully, W. L. CAPPS,
Chief Constructor, U. S. Navy, Chief of Bureau.

THE LAKE TORPEDO BOAT COMPANY
(Mr. Fred B. Whitney, second vice-president),
618 Colorado Building, Washington, D. C.

(60.)

NAVY DEPARTMENT,
Washington, September 24, 1904.

GENTLEMEN: The Department begs to acknowledge your communication of the 17th instant, offering a submarine boat for test in conformity with the terms of the reasonable notice given by the Lake Torpedo Boat Company in its letter of July 1, 1904; furthermore, stating that you will confer with Captain Lake and prepare, as soon as possible, the additional tests desired by the Lake Torpedo Boat Company in order to "show and record all the exclusive Lake type features which the Lake Company may deem essential to the use of submarines," it being distinctly understood that such tests will precede and be additional to any tests which the Navy Department may desire to make in order to fully determine the suitability of the boat for such work as may be required of it in the naval service, as well as affording the Lake Torpedo Boat Company every opportunity to demonstrate such features as may be peculiar to their type of submarine.

The Department also notes that the boat furnished by the Lake Torpedo Boat Company will be ready for test on the third Thursday in November, 1904, at

Newport News, Va., but prefers that, so far as may concern tests to determine the fulfillment of requirements prescribed by the Navy Department, these tests be carried out in the vicinity of Newport, R. I., under precisely similar conditions to the recent test of a submarine boat in June, 1904, there being available in the vicinity of Newport excellent ranges and greater depth of water than is available in the vicinity of Newport News. In order that the proposed test may also conform to previous requirements of the Department, which were fulfilled in the case of the submarine torpedo boat test just alluded to, the Department requests that the Lake Torpedo Boat Company comply with the explicit provisions contained in the Department's letter of January 19, 1904, which required a formal statement in writing that "the boat which you submit to the Department for test is at that time finally completed and that you are prepared to accept as final, for the purpose of this act, the results which your boat is capable of developing on trial at the present time.

This statement having been formally made in writing by the competitor in the previous competition in June, 1904, the Department desires that the same procedure be followed in the present instance and requests that in acknowledging this communication the Lake Torpedo Boat Company obligate itself to furnish the above-noted statement at the time of formally offering its vessel for trial in November.

Very respectfully, PAUL MORTON, *Secretary.*

THE LAKE TORPEDO BOAT COMPANY,
No. 618 Colorado Building, Washington, D. C.

(61.)

THE LAKE TORPEDO BOAT COMPANY,
Washington, September 26, 1904.

MY DEAR SIR: I have the honor to acknowledge your letter of the 24th instant. Will drop in in due season to talk with you about place, etc., and shall be pleased to do everything possible you desire.

Thanking you for your esteemed courtesy, I am,

Very respectfully, yours, FRED B. WHITNEY.

Hon. PAUL MORTON,
Secretary of the Navy, Washington, D. C.

(62.)

NEWPORT NEWS, VA., *October 27, 1904.*

Hon. PAUL MORTON,
Secretary of the Navy, Washington, D. C.:

Submarine *Simon Lake X* successfully launched. Little Merriam Lake sponsor.

FRED B. WHITNEY.

(63.)

THE LAKE TORPEDO BOAT COMPANY,
Washington, November 15, 1904.

SIR: In conformity with your verbal request for a definite date for trials of the Lake submarine, I beg to state that the Newport News Shipbuilding and Drydock Company is doing everything possible, day and night, to rush the submarine *Simon Lake X* to completion for trials.

If no untoward accidents occur it is estimated that she will be ready by the first of the month, and so I suggest that we settle on the fixed day of Monday or Tuesday, December 5 or 6, as may suit the convenience of the board, to begin the tests on the first of a week so as to best use time.

Very respectfully, yours,

THE LAKE TORPEDO BOAT COMPANY,
Per FRED B. WHITNEY,
Second Vice-President.

Hon. PAUL MORTON,
Secretary of the Navy,
Navy Department, Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *November 16, 1904.*

Respectfully forwarded to the Bureau of Construction and Repair and the board of inspection and survey for their several information.

The board of inspection and survey will hold itself in readiness to make an inspection and trial of the submarine boat of the Lake Torpedo Boat Company, the *Simon Lake X*, on December 5, 1904.

G. A. CONVERSE, *Acting Secretary.*

[Second indorsement.]

BUREAU OF CONSTRUCTION AND REPAIR, *November 18, 1904.*

Respectfully forwarded to the board of inspection and survey.

Contents noted.

SIDNEY I. BESSELIEVRE,
Acting Chief of Bureau.

[Third indorsement.]

BOARD OF INSPECTION AND SURVEY,
Navy Department, November 19, 1904.

Respectfully returned to the Department.

The board of inspection and survey will hold itself in readiness to make an inspection and trial of the submarine boat of the Lake Torpedo Boat Company, the *Simon Lake X*, on December 5, 1904.

There are forwarded herewith copies of the general programme under which competitive trials of submarine boats have been conducted and of a letter from the Secretary of the Navy to competitors.

It is requested that the Lake Torpedo Boat Company be again furnished with copies of these documents.

Attention is called to the fact that the Lake Torpedo Boat Company have not yet furnished the formal statement in writing required in the Secretary's letter above mentioned.

J. H. DAYTON,
Captain, U. S. Navy, President of Board.

(64.)

NAVY DEPARTMENT,
Washington, November 22, 1904.

SIR: Replying to your letter of the 15th instant, suggesting December 5 or 6, 1904, for trial of the Lake submarine torpedo boat *Simon Lake X*, you are informed that board of inspection and survey has been instructed to hold itself in readiness to make an inspection and trial of the Lake Torpedo Company's submarine boat, the *Simon Lake X*, on December 5, 1904.

I herewith inclose copies of the general programme under which competitive trials of submarine boats have been conducted by the board of inspection and survey, together with a copy of a letter of the Secretary of the Navy to competitors. However, further steps with a view to the testing of the submarine boat of the Lake Torpedo Boat Company, the *Simon Lake X*, will not be taken until your company complies with the explicit provisions contained in the Department's letter of January 19, 1904, which require a formal statement, in writing, "that the boat which you submit to the Department for test is at that time finally coupleted and that you are prepared to accept as final, for the purposes of this act, the results which your boat is capable of developing on trial at the present time." Your attention was called to this requirement by the Department's letter of September 24, 1904, in reply to yours of September 17, 1904, offering a submarine boat for test, but up to this date the above-mentioned formal statement, in writing, has not been furnished.

Very respectfully,

PAUL MORTON, *Secretary.*

THE LAKE TORPEDO BOAT COMPANY,
618 Colorado Building, Washington, D. C.

(65.)

[Telegram.]

DECEMBER 3, 1904.

MR. FRED B. WHITNEY,
Lake Torpedo Boat Co., Newport News, Va.:

Will you be ready for test Monday, and shall we order expert officer to proceed to Newport News to-morrow?

PAUL MORTON, *Secretary.*

(66.)

NEWPORT NEWS SHIPBUILDING AND
DRY DOCK COMPANY,
New York, December 3, 1904.

SIR: We have the honor to state that we are building submarine boat *Simon Lake X* for the Lake Torpedo Boat Company. This craft was to have been ready for trial December 5, 1904. Owing to unavoidable delays the owners of the craft will not be quite ready for test on date named, but will have their boat ready a few days thereafter. It will be ready for Government trial December 22, 1904.

We believe the Lake submarine boat possesses great merit, being unique in many respects, and, while we have no interest in the vessel except as builders of same, we respectfully suggest that the final decision of the matter of submarine boats, now under advisement by the Department, be postponed for a time until the utility of the Lake boat can be determined.

We desire to state further that every effort has been made to expedite the work on *Simon Lake X*, no expense having been spared by the owners and builders to complete the craft on schedule time. In view of this the indulgence of the Department is asked as above.

Respectfully,

NEWPORT NEWS SHIPBUILDING AND DRY DOCK COMPANY,
By C. B. ORCUTT, *President.*

THE SECRETARY OF THE NAVY,
Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *December 7, 1904.*

Respectfully referred to the Chief Constructor for comment.

By direction of the Secretary of the Navy.

B. F. PETERS, *Chief Clerk.*

[Second indorsement.]

BUREAU OF CONSTRUCTION AND REPAIR, *December 10, 1904.*

Respectfully returned to the Department, inviting attention to the concluding paragraph of the Department's letter of December 7, 1904, to the Lake Torpedo Boat Company, which requests that "* * * it may be advised promptly as soon as the Lake Torpedo Boat Company are prepared to have their boat tested under the conditions already made known to them and under which the previous competitive trial was held." Attention is also invited to the fact that the Lake Torpedo Boat Company, in its letter of December 3, objected to certain conditions which had been hitherto undisputed and which had been complied with by its competitor in the trial of their boat.

With respect to the accompanying request from the Newport News Shipbuilding and Dry Dock Company, attention is invited to the fact that the Department has conducted all previous correspondence in this matter with Lake Torpedo Boat Company, who are the principals, and it is believed that any formal proposition as to future test of their boat should come from that company.

W. L. CAPPS,
Chief Constructor U. S. Navy, Chief of Bureau.

(67.)

[Telegram.]

NEWPORT NEWS, VA., *December 5, 1904.*

Hon. PAUL MORTON, *Washington, D. C.*:

Am sending special delivery letter.

SIMON LAKE.

(68.)

THE LAKE TORPEDO BOAT COMPANY,
Washington, D. C., December 3, 1904.

Hon. PAUL MORTON,
Secretary of the Navy, Washington, D. C.

SIR: Your letter is before me stating "Further steps with a view of testing of the submarine boat of the Lake Torpedo Boat Company, the *Simon Lake X*, will not be taken until your company complies with the explicit provisions contained in the Department's letter of January 19, 1904, which requires a formal statement in writing, that the boat which you submit to the Department for test is at that time finally completed, and that you are prepared to accept as final for the purposes of this act the results which your boat is capable of developing on trial at the present time."

I take it for granted that you either dictated or signed this letter as a matter of routine and are absolutely unaware of the purpose or effect of the statement you demand.

I deem it fair to you, myself, and other honorable men to let you know a few facts, that you may appreciate my position and then govern yourself accordingly.

I expended over twenty years of my life and over $400,000 in developing the submarine torpedo boat *Protector*.

In spite of Holland influences, Congress passed a $500,000 competitive submarine law for 1904, but my requests for actual competition were ignored by the Department, and finally the board refused to proceed with trials, in January, 1904, and an attempt was made to have me sign the very statement you now demand.

The Senate, last session, after a two days' debate, by a vote of two to one, pages 3436–3446, provided a Lake submarine for the Army, but naval influences joined Holland and the measure was killed in conference.

With bankruptcy impending from the Government's action toward me I was forced to abandon my fondest hope to keep my type to protect the United States.

After being denied fair competition for months, contrary to intent of Congress, and believing that I could not get a fair, full trial of all the Lake features, I sold abroad, where other American inventors have been driven before.

After refusing competition for months, the minute the *Protector* was out of the way the *Fulton* was tested by board, Secretary Moody having been assured in the Department that the *Protector* and *Fulton* would be tested in competition together. A member of the board knew this to be false.

For reasons upon the face of the report my company protested against action under the board's recommendations for Hollands and against the publication of the report, which Constructor Woodward informed Secretary Moody was especially prepared for publication, even after the Navy Department had refused Congress information on submarines as incompatible with public interests.

Secretary Moody refused the Holland people a contract under the $500,000 1904 act and ordered the report not to be given out.

That the report was especially prepared for publication was soon painfully evidenced by fact that it went out from Department in spite of orders, and was used abroad to my financial damage in two countries.

The references to the *Protector* in the *Fulton* report were malicious defamation by a naval officer, but even under all this provocation my patriotism prevented me from discrediting the United States Navy abroad by revealing the true facts to the world when the embarrassing condition was created by practically one member of the board, whose attitude and acts for and against the Holland and Lake submarines I will not now characterize. I believe Judge Darling can inform you in part.

I want a fair, open, actual competition under the 1905 submarine act, which will decide the superiority, etc., without the opinions and paper comparisons of this member of the board, whose personality and conduct are immaterial to

the great question of the United States getting the best submarine until his insidious influence and acts deny me a lawful right—competition—and I refer you to the Congressional Record, page 2548, for the intent of Congress.

I now give you the real purpose of the statement you demand.

The Holland influences were defeated decisively—ayes 45, noes 106, page 2550 Record, Mr. Roberts's motion—in an attempt to eliminate competition from the submarine law for 1905.

The *Holland* refused competition as Secretary Moody informed Congress.

The *Fulton* was withdrawn from a side-by-side trial with the *Protector* abroad at the last moment.

An attempt is now made to have you unconsciously do what Congress positively refused to do—eliminate competition—by forcing me to sign in advance a statement that I will, in effect, accept as final a test of my submarine alone and not side by side under equal conditions with the Holland type.

This is in effect a departmental amendment to an act of Congress.

I refused to sign this statement once, and I now appeal to you to most carefully investigate affairs and reconsider your refusal to proceed with trials unless I waive what I regard as a lawful right, granted by Congress, in its folly or wisdom, but nevertheless clearly granted after an open debate and a decisive vote on the very question of competition.

Official reports in the United States and abroad show the absolute superiority of the Lake type over the Holland, and numerous experienced honorable naval officers who have examined both types can inform you correctly. I mention a few: Rear-Admirals Melville, O'Neil, and Bradford, Commanders Fletcher and Chambers, and Lieutenants Halligan and Pinney.

An attempt has been made to studiously misinform and prejudice you against me, and I have taken our Mr. Whitney's advice and kept silent under the idea that direct competition would protect me from insidious influences.

I am now denied a trial unless I sign a statement waiving lawful rights. I am forced to ask you to reconsider, as I feel this is doing us a great wrong.

If you will put us in direct side-by-side competition with a Government submarine, as Congress intended, we will then accept the facts found in said competition as final.

Your officers at the shipyard can inform you of the good faith of the Newport News Shipbuilding and Dry Dock Company in rushing work day and night to complete the *Simon Lake X* as soon as possible.

My company gave notice for competition the very day the 1905 law became in force and effective, July 1, 1904, and I feel that you will discover upon an investigation that the "reasonable notice" required by law has not expired, so that you could meet the Holland attempt to get a contract prior to actual competition, or at least comparison with the Lake type, and upon a report which we have demanded be referred to the general board under the law.

As a matter of law the *Fulton* report has absolutely nothing to do with the 1905 act, and if it did, no action should be based upon it.

Congress and all honorable officers of the Army and Navy want the United States to have the best protection possible by submarines of the best type and highest development, and there is just one way to get that result—try the Holland and Lake types side by side under the hardest conditions, in all kinds of seas and weather.

That is the real intent of Congress and the American people wish it, and so the Department is not called upon to protect any concern from the hardest competition possible under fair officers.

All my people have worked themselves to a nervous edge trying to meet the President's desire for submarines and your expressed desire to get the best, but since I am practically refused competition by your refusal to proceed unless I sign the statement referred to I shall now complete the *Simon Lake X* with a speed that I will call upon your officers at the yard to witness as to its being reasonable under our notice and the 1905 submarine law.

When it is practicable in the ordinary course of shipbuilding for safe trials after ordinary shipbuilders' trials, etc., I shall offer the submarine *Simon Lake X* for direct competitive trials with the Government *Adder*, the board's standard.

I have frankly written you, and I now hope you will assure me of the Navy Department's assistance and the end of opposition to an American inventor who asks no favors but a fair field.

Hoping that you now appreciate my position and realize the true condition of affairs, upon which I will gladly inform you at length, I am,

Very respectfully, yours, SIMON LAKE.

(69.)

NAVY DEPARTMENT,
Washington, December 7, 1904.

SIR: The Department begs to acknowledge the receipt of your communication of the 3d instant in relation to the trial of a submarine boat of the Lake Torpedo Boat Company, in conformity with the Lake Torpedo Boat Company's offer of September 17, and begs to invite your attention to the following pertinent facts bearing upon the recent trials or attempted trials of submarine torpedo boats.

In the first place, the act making appropriations for the naval service for the fiscal year ending June 30, 1904, authorizes the Secretary of the Navy, in his discretion, to contract for or purchase such subsurface or submarine torpedo boats in the aggregate, but not exceeding, $500,000, under certain conditions set forth in the act.

In conformity with the provisions of this act, the Navy Department on July 23, 1903, authorized competitive tests to be held at Newport, R. I., October 15, 1903, or as soon thereafter as practicable, notification to this effect being sent to the representatives of the submarine torpedo boat companies directly interested. In response to this notification a communication was received from the Lake Torpedo Boat Company, of Bridgeport, Conn., stating that it desired to submit for this test their submarine boat *Protector;* also a communication from the Holland Torpedo Boat Company, of New York City, stating that they desired to offer in competition their submarine boat *Fulton.*

In September, 1903, the Holland Torpedo Boat Company informed the Department that they would not complete the *Fulton* in time for the proposed trial to be held on October 15, 1903, and in order that if practicable the competing submarine boats should be tried simultaneously the Department decided to postpone the competitive trials until November 16, 1903, and both the Holland Torpedo Boat Company and the Lake Torpedo Company were so notified.

On October 19, 1903, the "General programme of competitive trials of subsurface and submarine boats to be held at Newport, R. I., beginning on November 16, 1903," was forwarded to the Department by the board of inspection and survey, under whose auspices the tests were to be held, and by the Department approved, notification of this programme being subsequently sent by the Department to the representatives of the competing companies.

On October 16, 1903, the trial board recommended that the "trials now authorized to be held on the 16th of November be proceeded with by one competitor even in the absence of the other," this recommendation being in direct response to a request of the Lake Torpedo Boat Company that the trial be not postponed beyond November 16, even though the competing boat be not ready for the trial. The Department approved this recommendation of the board of inspection and survey and so advised the Lake Torpedo Boat Company on October 20, 1903.

On November 16, 1903, the trial board assembled at Newport, R. I., ready for the trial of the *Protector*, which should have been at Newport on that day. The *Protector* did not reach Newport until the following day, November 17, when the president of the Lake Torpedo Boat Company, Mr. Simon Lake, informed the board than on account of an accident to the *Protector* it would be necessary to dock the vessel in order to make suitable repairs. The trial was therefore postponed until notice should be received from Mr. Lake that the *Protector* was actually ready for trial.

On January 2, 1904, the Department was advised that the *Protector* was at Newport, R. I., and ready for trial in accordance with the programme of tests as formulated and published by the board of inspection and survey.

On January 12, 1904, the trial board again assembled at Newport, R. I., in order to proceed with the trials of the Lake Torpedo Boat Company's submarine boat *Protector*, and shortly after convening there was presented for its consideration a letter, dated January 11, 1904, and signed by the president of the Lake Torpedo Boat Company, in which it was stated that the *Protector*, as then presented for trial, had certain defects which would seriously affect the performance of the vessel.

In spite of these acknowledged defects the Lake Torpedo Boat Company requested an immediate trial of the vessel, stating that "should the board, after the examination of the boat, find her suitable for naval service, and so recommend, we, contingent upon that encouragement, will make all of these improvements at our expense before turning the vessel over to the Government." The trial

board considered this proposition in conflict with the spirit and letter of the law authorizing the trial and purchase of submarine boats, and, in order to avoid all misunderstanding and to fully protect the Government's interests, recommended that the Navy Department inform the Lake Torpedo Boat Company that before the Department would hold a competitive trial of any submarine boat the owner would be required to furnish the Department with a formal statement, in writing, to the following effect, viz: "That the boat which you submit to the Department for test is at that time finally completed, and that you are prepared to accept as final, for the purposes of this act, the result which your boat is capable of developing on trial at the present time." The Department approved this recommendation and so informed the Lake Torpedo Boat Company, and the Holland Torpedo Boat Company, under date of January 19, 1904, both companies being informed that "in view of the competitive character of these trials the Department can not allow them to be repeated, but will insist that the results of these trials, when once held, must be considered as final in the matter of determining the relative merits, under the act of Congress aforesaid, of the various competing boats.

Subsequent to January 12, 1904, no communication has been received by the Department from the Lake Torpedo Boat Company stating that the defects in design and construction of their competing boat, *Protector*, had been remedied, or that they desired to fix a particular date for the trial of that vessel.

On May 13, 1904, the Holland Torpedo Boat Company notified the Department that the *Fulton* would be ready for trial on May 30, that company having informed the trial board on several occasions subsequent to November 16, 1903, that their submarine boat *Fulton* was not yet finally prepared for trial. The Holland Torpedo Company accompanied their communication of May 13 with the formal certificate required by the Department, viz, that the Holland Torpedo Company were prepared to accept as final, etc., the results which the *Fulton* were capable of developing on trial on or after the date above noted.

Under date of May 16, 1904, the trial board advised the Lake Torpedo Boat Company, of Bridgeport, Conn., of the prospective trial of the *Fulton*, and suggested that if their boat "should be at the same time in all respects ready for this trial it would be of advantage for trial purposes that the two boats be tried at the same time," to which communication the Lake Torpedo Boat Company apparently made no reply. Therefore, in conformity with the arrangements, already made, the trials of the Holland submarine boat *Fulton* were begun on June 1, 1904, and completed on June 10, these trials being in conformity with the general programme for competitive trials previously approved by the Department.

As a result of these trials the trial board made specific recommendation to the Department, which recommendation was received shortly before the relinquishment of office of my predecessor and remained as unfinished business when I assumed the duties of Secretary of the Navy on July 1, 1904.

On July 1, 1904, the Lake Torpedo Boat Company submitted a request to have its boat tested in conformity with the provisions of the act making appropriations for the naval service approved April 27, 1904.

On September 12, 1904, the Department, referring to the above-noted letter of the Lake Torpedo Boat Company, requested information as to when that company would be ready to make the test referred to in its letter of July 1, 1904. On September 17, 1904, the Lake Torpedo Boat Company made formal reply stating that it "will offer a submarine for test, under its notice of July 1, 1904, at or near Newport News, Va., on the third Thursday of November, 1904." This communication was acknowledged by the Department under date of September 24, 1904, and the attention of the Lake Torpedo Boat Company was especially invited to the necessity of complying with the explicit provisions of the Department's letter of January 19, 1904, which required a formal statement in writing that "the boat which you submit to the Department for test is at that time finally completed, and that you are prepared to accept as final, for the purposes of this act, the results which your boat is capable of developing on trial at the present time," and at the same time advised the Lake Torpedo Boat Company that their competitor, the Holland Torpedo Boat Company, in conformity with the Department's requirements, had made this specific and formal statement prior to the trials of the *Fulton*.

This communication was briefly acknowledged under date of September 26, 1904, by the second vice-president of the Lake Torpedo Boat Company, who

expressed himself as "pleased to do everything possible you desire." A few days prior to the definite date fixed upon for the trial of the Lake torpedo boat, the second vice-president of the company called upon the Department and urged that an extension of time be granted. The Department clearly and explicitly stated to the company's representative that the definite recommendations of the trial board in the case of the *Fulton* had remained unacted upon up to the present time in order that the Lake Torpedo Boat Company should be given every reasonable opportunity to compete; that, if any further extension of time should be granted, this extension must be definite in order that prompt action might thereafter be taken. It was therefore agreed that on Monday, December 5, the board of inspection would be ready to undertake the trial of the Lake submarine torpedo boat *Simon Lake X*, and this verbal agreement was confirmed in writing by the Lake Torpedo Boat Company under date of November 15, 1904.

The Lake Torpedo Boat Company's letter of November 15 was formally acknowledged by the Department under date of November 22, 1904, and the company's attention again invited to the conditions under which the test would take place and the necessity of the company's submitting its formal statement "that the boat which you submit * * * is at that time finally completed," etc. On December 3, 1904, no further communication having been received from the Lake Torpedo Boat Company, the following telegram was addressed to—

Mr. FRED. B. WHITNEY,
Lake Torpedo Boat Company, Newport News, Va.

Will you be ready for test Monday, and shall we order expert officer to proceed to Newport News to-morrow?

PAUL MORTON, *Secretary.*

Although the Department received no reply to this telegram, it has since received your letter of December 3, which discusses at some length matters of opinion rather than fact, the statements made being hardly relevant to the questions directly at issue.

The Department has endeavored to afford the Lake Torpedo Boat Company every reasonable opportunity to submit a boat of their type for thorough trial under the terms of the acts making appropriations for submarine boats, and in doing so has possibly placed at a disadvantage a competing company, which, as reported by the trial board, submitted for test a boat which met the Department's conditions in all essential respects.

In view of the above recital of facts in connection with the competitive trials of submarine torpedo boats, the Department can find no justification for further delay in this matter, since the statements made by the Lake Torpedo Boat Company in its letter of December 3, 1904, do not afford evidence of reasonable grounds for further extension of time, but impugn the fairness of officers whose conclusions are unanimous and clearly based upon the actual performance of the vessel tested. Despite the liberal treatment accorded to the Lake Torpedo Boat Company by the Department, that company now questions the Department's understanding of its own correspondence in this matter, and disputes its legal right to impose conditions which have been long since accepted in good faith by the other competing company and which have hitherto been undisputed by the Lake Torpedo Boat Company itself, so far as any evidence before the Department indicates.

The Department therefore begs to advise you that it will now proceed to take such action relative to contracts for the construction of submarine torpedo boats as may, in its judgment, seem proper, but requests that it may be advised promptly as soon as the Lake Torpedo Boat Company are prepared to have their boat tested under the conditions already made known to them and under which the previous competitive trial was held.

Very respectfully,

PAUL MORTON,
Secretary.

Mr. SIMON LAKE,
President Lake Torpedo Boat Company,
618 Colorado Building, Washington, D. C.

(70.)

NAVY DEPARTMENT,
OFFICE OF THE JUDGE-ADVOCATE-GENERAL,
Washington, December 9, 1904.

[Memorandum for the Secretary.]

The act of April 27, 1904 (33 Stats., p. 351), authorizes the Secretary of the Navy "in his discretion to contract for or purchase subsurface or submarine torpedo boats" at an expenditure not exceeding $850,000, subject, among others, to the following conditions:

"*Provided*, That prior to said purchase or contract for said boats any American inventor or owner of subsurface or submarine torpedo boat may give reasonable notice and have his, her, or its subsurface or submarine torpedo boat tested by comparison or competition, or both, with a Government subsurface or submarine torpedo boat or any private competitor, provided there be any such, etc."

The Lake boats have not been officially tested under this provision, although the Department has given the Lake Company opportunity to submit a boat for such test.

The Holland boat (the *Fulton*) was not tested in "competition" with any other boat, but was "tested by comparison" with a Government * * * submarine torpedo boat. The fact that the statute provides for such a test by "comparison or competition, or both," shows that these words do not mean the same thing, but are used in such a sense as to imply that "competition" is one thing and "comparison" another. It seems fair, therefore, to interpret the word "competition" as meaning "trial at the same time and place," and "comparison" as a "study of the performances of one boat under given conditions, as contrasted with those of another, tested in like manner, not necessarily at the same time and place."

The Navy Department, having sought by every means in its power to bring about a competitive trial between rival builders, and not being able so to do, has, in my opinion, authority under the act to adopt the other method specified and accept a test by comparison. The accompanying draft or letter is therefore not open to objection from a legal point of view.

My conclusion therefore is that the Department has literally complied with the law and there is no legal objection to the accompanying draft.

Whether, upon other than legal grounds and strictly legal grounds, and in view of the apparent purpose of Congress to bring about, if practicable, a direct competitive trial between different types of these boats, or for other reasons, it may be desirable to make further effort to bring about a side-by-side trial or a trial in the same waters upon the same day, is a question not herein discussed, being rather a matter of policy than of law.

S. W. B. DIEHL,
Judge-Advocate-General.

(71.)

NAVY DEPARTMENT,
Washington, December 12, 1904.

SIRS: Replying to your letter of the 3d instant, advising this Department of the inability of the Lake Torpedo Boat Company to complete the submarine boat *Simon Lake X* for trial December 5, 1904, and stating that it will be ready for Government trial December 22, 1904, you are informed that under date of December 7, 1904, the Department addressed a communication to the Lake Torpedo Boat Company on this subject. In view of the fact that the Department has conducted all previous correspondence in this matter with the Lake Torpedo Boat Company, who are the principals, it is desired that any formal proposition as to future tests of their boat should come from company.

Very respectfully,

NEWPORT NEWS SHIPBUILDING AND DRY DOC
No. 1 Bro

what it would have done had the usual method of construction been followed. This was done, as well as my returning home, against the wishes of the head of the department of another very large country, and it compelled me also to cancel two other very large important engagements abroad, solely with the idea of meeting your wishes for as early a trial as possible, so that the United States Government could have an opportunity to find out which was the best type of boat for its defense, as was intended by the present act in reference to submarines.

Under these circumstances I do not hesitate to ask you to grant sufficient time so that we may have opportunity for making a few days' trial ourselves before undertaking the official tests.

I am, very respectfully, yours, SIMON LAKE.

[First indorsement.]

NAVY DEPARTMENT, *December 19, 1904.*

Respectfully referred to the Bureau of Construction and Repair.

By direction of the Secretary:

B. F. PETERS, *Chief Clerk.*

[Second indorsement.]

BUREAU OF CONSTRUCTION AND REPAIR, *December 23, 1904.*

Respectfully returned to the Department.

Contents noted

W. L. CAPPS,
Chief Constructor, U. S. Navy, Chief of Bureau.

(76.)

NAVY DEPARTMENT,
Washington, December 21, 1904.

SIR: Referring to the Department's communication of December 7, 1904, to the Lake Torpedo Boat Company, and to subsequent written and telegraphic correspondence in relation to the subject-matter therein treated, you are advised that, in conformity with the authority contained in the act making appropriations for the naval service for the fiscal year ending June 30, 1905, the Department has awarded to the Electric Boat Company a contract for two submarine torpedo boats.

Referring to the concluding paragraph of the Department's letter of December 7, above noted, and in order that the Lake Torpedo Boat Company may have every reasonable opportunity to complete, experiment with, and offer for official Government test a boat of their design, you are advised that the Department will defer obligating the remainder of the appropriation for the purchase of submarine torpedo boats until May 1, 1905, provided the Lake Torpedo Boat Company stipulates explicitly, within the next ten days, that they will have a boat ready for official trial at Newport, R. I., before May 1, 1905, and that that company will explicitly agree, within the above-named period of ten days, to have such boat tested under conditions and requirements similar to those obtaining at the time of the trial of the submarine torpedo boat *Fulton* in June, 1904—the general programme of "competitive trials for subsurface and submarine boats," approved by the Department in October, 1903 (copy of which was forwarded to you at that time), being regarded as the official basis of the proposed trial for the Lake Torpedo Boat Company's boat in the same manner as obtained in the case of the trial of the *Fulton.*

In order that there may be no possible misunderstanding in this matter, you are further advised that should you accept, within the next ten days, the conditions noted above, your letter of acceptance should contain an explicit statement that the boat which you submit to the Department will, at the time of the test, be finally completed, and that you will be prepared to accept as final the result which your boat may be capable of developing on the official trial at that time.

Very respectfully,

PAUL MORTON, *Secretary.*

Mr. SIMON LAKE,
President of the Lake Torpedo Boat Company,
618 Colorado Building, Washington, D. C.

(72.)

DECEMBER 15, 1904.

LAKE TORPEDO BOAT COMPANY,
618 Colorado Building, Washington, D. C.:

I wrote you on December 7. When may I expect reply?

PAUL MORTON, *Secretary.*

(73.)

[Telegram.]

NEWPORT NEWS, VA., *December 16, 1904.*

Hon. PAUL MORTON,
Secretary of the Navy, Washington, D. C.:

Are working night and day to get ready for trials. Will give definite reply as soon as possible.

SIMON LAKE.

(74.)

WASHINGTON, *December, 17, 1904.*

Mr. SIMON LAKE,
Newport News, Va.:

Your message is very indefinite.

PAUL MORTON.

(75.)

THE LAKE TORPEDO BOAT COMPANY,
Newport News, Va., December 17, 1905.

Hon. PAUL MORTON.

SIR: Your telegram saying "Your message is very indefinite" is received. I have just wired you that I would send a special-delivery letter.

I understand that you are anxious that I should fix as early a date as possible for the trial of *Simon Lake X.* As I wired you, we are pushing work night and day with the object of setting a positive date for trial, but until we can get a submerged run ourselves I do not think it would be wise in me to state positively when the trials can take place. You are probably not aware that I have been abroad for several months and have just recently returned. I came here at the urgent request of some important people who have the interests of the United States strongly at heart for the purpose of giving the Navy Department, if it so wished, a fair opportunity to witness the performance of my type of submarine torpedo boat. My coming here at this time was greatly against my financial interest, but I am still an American citizen.

As I wrote you previously, I have spent twenty years of my life in developing a type of craft designed for the protection of my country, and was then refused trial when I was ready and anxious to undergo the same, and because of the refusal (caused, in my opinion, by one officer) I was driven to the verge of bankruptcy. I must confess it was a great mortification to me to be compelled to go abroad for recognition of my labors in this line, especially when the vessel was so highly praised by every other naval officer who had witnessed the performance of the craft. That, however, is now past history, and I do not know that there is any object in discussing it further at the present time. I understand Mr. Orcutt advised the Department recently that he expected the boat would be ready for trial on the 22d of this month. We hope to have the boat ready at that time. At the most it can be only a matter of a few days. The boat has already been running on the surface. She is in the dry dock at the present time. We hope to get out of dock Monday.

The overtime and rush work done on this boat, with the object of getting a trial at as early a date as possible, has already cost over $25,000 in addition to

what it would have done had the usual method of construction been followed. This was done, as well as my returning home, against the wishes of the head of the department of another very large country, and it compelled me also to cancel two other very large important engagements abroad, solely with the idea of meeting your wishes for as early a trial as possible, so that the United States Government could have an opportunity to find out which was the best type of boat for its defense, as was intended by the present act in reference to submarines.

Under these circumstances I do not hesitate to ask you to grant sufficient time so that we may have opportunity for making a few days' trial ourselves before undertaking the official tests.

I am, very respectfully, yours, SIMON LAKE.

[First indorsement.]

NAVY DEPARTMENT, *December 19, 1904.*

Respectfully referred to the Bureau of Construction and Repair.

By direction of the Secretary:

B. F. PETERS, *Chief Clerk.*

[Second indorsement.]

BUREAU OF CONSTRUCTION AND REPAIR, *December 23, 1904.*

Respectfully returned to the Department.

Contents noted

W. L. CAPPS,
Chief Constructor, U. S. Navy, Chief of Bureau.

(76.)

NAVY DEPARTMENT,
Washington, December 21, 1904.

SIR: Referring to the Department's communication of December 7, 1904, to the Lake Torpedo Boat Company, and to subsequent written and telegraphic correspondence in relation to the subject-matter therein treated, you are advised that, in conformity with the authority contained in the act making appropriations for the naval service for the fiscal year ending June 30, 1905, the Department has awarded to the Electric Boat Company a contract for two submarine torpedo boats.

Referring to the concluding paragraph of the Department's letter of December 7, above noted, and in order that the Lake Torpedo Boat Company may have every reasonable opportunity to complete, experiment with, and offer for official Government test a boat of their design, you are advised that the Department will defer obligating the remainder of the appropriation for the purchase of submarine torpedo boats until May 1, 1905, provided the Lake Torpedo Boat Company stipulates explicitly, within the next ten days, that they will have a boat ready for official trial at Newport, R. I., before May 1, 1905, and that that company will explicitly agree, within the above-named period of ten days, to have such boat tested under conditions and requirements similar to those obtaining at the time of the trial of the submarine torpedo boat *Fulton* in June, 1904—the general programme of "competitive trials for subsurface and submarine boats," approved by the Department in October, 1903 (copy of which was forwarded to you at that time), being regarded as the official basis of the proposed trial for the Lake Torpedo Boat Company's boat in the same manner as obtained in the case of the trial of the *Fulton.*

In order that there may be no possible misunderstanding in this matter, you are further advised that should you accept, within the next ten days, the conditions noted above, your letter of acceptance should contain an explicit statement that the boat which you submit to the Department will, at the time of the test, be finally completed, and that you will be prepared to accept as final the result which your boat may be capable of developing on the official trial at that time.

Very respectfully,

PAUL MORTON, *Secretary.*

Mr. SIMON LAKE,
President of the Lake Torpedo Boat Company,
618 Colorado Building, Washington, D. C.

on Construction has no knowledge of use having been made of any of the exclusive features of said plans.

G. A. CONVERSE,
Chief of Bureau of Navigation, President of Board.
C. W. RAE,
Engineer in Chief, U. S. Navy,
Chief of Bureau of Engineering, Member.
W. L. CAPPS,
Chief Constructor, U. S. Navy,
Chief of Bureau of Construction and Repair, Member.
H. N. MANNEY,
Chief of Bureau of Equipment, Member.
N. E. MASON,
Chief of Bureau of Ordnance, Member.

(81.)

NAVY DEPARTMENT,
Washington, D. C., February 2, 1905.

GENTLEMEN: Replying to your letter of the 23d ultimo, requesting the return of three sets, of three sheets each, of plans for the Lake type of submarines of the 125-foot cruiser class, 65-foot coast-defense class, and the 30-foot class, to be carried on battle ships, left with the Board on Construction June 20, 1901, I herewith return, under separate cover, three sets, of three sheets each, of the above-mentioned plans. The Board on Construction in forwarding these plans to the Department for return to you, states that there is no record on the files of the board or in any of the bureaus of the Navy Department of any request prior to the one contained in your letter of the 23d ultimo for the return of these plans, and, further, the board states that it has no knowledge of use having been made of any of the exclusive features of said plans.

Very respectfully,

CHAS. H. DARLING, *Acting Secretary.*

THE LAKE TORPEDO BOAT COMPANY,
No. 618 Colorado Building, Washington, D. C.

Brief of correspondence between the Holland Torpedo Boat Company (now the Electric Boat Company), the Navy Department, and its bureaus and officers, relative to test of submarine boats.

1. July 8, 1903, the Holland Torpedo Boat Company offers submarine torpedo boat *Fulton* to be "tested by comparison or competition or both" with a Government submarine torpedo boat or any private competitor, in accordance with terms and conditions of act of Congress, such test to take place as soon after October 15, 1903, as may meet the convenience of the Department.
2. July 23, 1903, the Department advises the Holland Torpedo Boat Company that their request will be complied with if *Fulton* is presented at proper time and place to be specified by Department, test to be made by comparison with one of the Government submarine torpedo boats of the Holland type, and by comparison and competition with the Lake Torpedo Boat Company's torpedo boat *Protector*, provided the latter is presented for test at the time decided upon.
3. July 24, 1903, Holland Torpedo Boat Company requests the loan of the most improved torpedo in case the board to test submarine boats requires the firing of any torpedoes.
4. August 7, 1903, Department advises the Holland Torpedo Boat Company that loan of torpedo will be granted the usual form of bond for same to be given by the company.
5. September 18, 1903, Holland Torpedo Boat Company reports that owing to delay in obtaining material the submarine boat *Fulton* will not be ready for tests until November 15, 1903.
6. September 23, 1903, Department requests the Holland Torpedo Boat Company to furnish a more definite statement of facts before it gives consideration to proposed postponement of competitive trials.

25. January 19, 1904, Department advises Holland Torpedo Boat Company of having sent a letter to the Lake Torpedo Boat Company requesting formal statement in writing "That the boat which you submit to the Department for test is at that time finally completed, and that you are prepared to accept as final, for the purposes of this act, the results which your boat is capable of developing on trial at the present time."
26. January 20, 1904, Holland Torpedo Boat Company advises Department of the receipt of its letter of 19th instant, and states they will comply with request.
27. February 9, 1904, Holland Torpedo Boat Company informs Department that they estimate the *Fulton* will be ready for trial about April 15 [1904], but will be able to state definitely on or prior to April 1.
28. April 1, 1904, Holland Torpedo Boat Company informs Department of delay in work of repairing *Fulton*, so that she can not be ready for trial by April 15, but think date when ready will be about May 9.
29. April 21, 1904, Holland Torpedo Boat Company informs Department of accident to main engine of *Fulton*, further delaying trial of vessel, and states inability as yet to set definitely a date when vessel will be ready for trial.
30. April 21, 1904, Holland Torpedo Boat Company transmits to board of inspection and survey a copy of letter sent to Department relative to date when the *Fulton* will probably be ready for competitive trials.
31. April 23, 1904, telegram signed "Woodward," to Holland Torpedo Boat Company, stating he is preparing proprietary requisition for Bureau Construction for one revolving periscope for *Shark*, and one power-operated periscope for *Porpoise*.
32. May 3, 1904, Holland Torpedo Boat Company informing board of inspection and survey that they would prefer May 26 rather than May 16 as date for trials of submarine boats.
33. May 12, 1904, unsigned letter to Naval Constructor Woodward, board of inspection and survey, informing him of having written Department stating readiness for trial on May 30, and submitting arrangement of the order of the trials.
34. May 13, 1904, Holland Torpedo Boat Company informs Department that their submarine boat will be ready for trial on 30th instant, and state that the vessel which they now submit for test will be finally completed on the date set and that they are prepared to accept as final, for the purposes of the act of March 3, 1903, the results which said boat is capable of developing on trial.
35. May 13, 1904, Holland Torpedo Boat Company transmits to Capt. C. J. Train, U. S. Navy, president of the board of inspection and survey, copy of letter addressed to Department relative to date when their boat will be ready for competitive trials.
36. May 19, 1904, Department advises the Holland Torpedo Boat Company that the board of inspection and survey has been directed to hold trial of their boat at Newport as soon after the 30th instant as practicable.
37. May 21, 1904, Naval Constructor J. J. Woodward in letter to Mr. L. Y. Spear, Holland Torpedo Boat Company, states that so far as he (Woodward) can see there is no reason why trials should not be carried out along the general lines suggested by Mr. Spear, and asks to be informed that *Fulton* is at Newport and that there is no doubt that she will be ready for trial on Tuesday, the 31st instant.
38. May 27, 1904, telegram signed "Train," to Holland Torpedo Boat Company, asking that when *Fulton* reaches Newport and is ready to begin competitive trials the president of the board of inspection and survey be informed by telegraph, and reply of Holland Torpedo Boat Company stating that *Fulton* is at Newport ready for trial at any time.
39. May 27, 1904, Holland Torpedo Boat Company informs Naval Constructor Woodward, by telegraph, that *Fulton* arrived at Newport on May 26; is in good condition, and ready for trial at any time.
40. May 27, 1904, Holland Torpedo Boat Company, New York, informs Capt. C. J. Train, president of board of inspection and survey, by telegraph, that *Fulton* arrived at Newport on May 26, and that Spear has been asked to telegraph him (Train) if ready for test.
41. June 7, 1904, extract from letter of Holland Torpedo Boat Company, addressed to president of board, in which was submitted a statement as to differences existing between the *Fulton* and the submarine boats owned by the Government of the *Adder* class.

58. February 4, 1905, memorandum of Chief Constructor for Secretary of the Navy, recommending that there be submitted to the Naval Committee as an appendix to the recent testimony of the Secretary of the Navy, copy of general programme of competitive trials of subsurface and submarine boats to be held at Newport, R. I., beginning November 16, 1903, etc.; also that attention be invited to fact that contention of Mr. Lake that Department had refused to permit a test of the Lake boat "unless the Lake company sign a statement that it would accept as final a trial of its boat alone, and not side by side with a Government submarine, as clearly provided by law and demanded by the Lake company," is without foundation in fact; also recommending that committee be furnished with a copy of contract for submarine boats.

(1.)

HOLLAND TORPEDO BOAT COMPANY,
New York City, July 8, 1903.

SIR: Under "An act making appropriations for the naval service for the fiscal year ending June 30, 1904, and for other purposes," we hereby offer the submarine torpedo boat *Fulton* to be "tested by comparison or competition or both" with a Government submarine torpedo boat or any private competitor, in accordance with the terms and conditions of said act, such test to take place as soon after the 15th of October, 1903, as may meet your convenience.

The *Fulton* was built about a year and a half in advance of the Government boats for the purpose of ascertaining by experiments the best devices and mechanism that could be used in Government boats. By continuous experiment with the *Fulton* a number of improvements over the original design were placed in the Government boats, and since our experience with the Government boats a number of improvements have suggested themselves to us, and they are now being made and will be completed by October 1 next. These changes are as follows:

First. The *Fulton* will have a new conning tower higher and larger than the one now on the Government boats, enabling the operator when coming to the surface, particularly in bad weather, to get a much better all-round view.

This kind of tower has been designed so that the displacement in the diving condition is about the same as the displacement of the amidship tank, so that on coming to the surface this tank can be blown out, thus giving the operator an elevation the full height of the conning tower above the surface. When ready to dive again, this tank can be filled and the boat put in diving trim, which takes only about two seconds. With this larger conning tower there is additional room inside of the boat for the purpose of handling the mechanism under the control of the operator; also a better all-round view of the inside of the vessel, due to the shape of the bottom part of the tower.

Second. The *Fulton* will be provided with 8 tanks situated at the center of buoyancy, each tank holding about 75 pounds of water. The advantage of these tanks is as follows: When the boat is in diving trim, or nearly so, one or more of these tanks can be filled, and if, after getting beneath the surface, it is found that the boat is too heavy one or more of the tanks can be blown out. With this arrangement it is possible at all times to place a small fixed amount of the weight in the boat or blow the same out. With the present arrangement on the Government boats it is impossible to put a fixed amount of weight in the ship, as the water is let into a large tank, and there is no means of knowing how much water is let in or blown out.

Third. The *Fulton* will have an improved compensating and loading gear for torpedoes. This will enable the loading of a torpedo at any time, whether submerged or on the surface, without changing the trim of the ship. This will be a great advantage, as it will be a difficult task and require much practice to load a torpedo while submerged in the Government boats.

Fourth. The installation of the battery in the *Fulton* has been improved by sealing in between each row of cells with marine glue, so that any acid slopping out of the jars can not get into the containing tank except at the outer edge, which is left open. This will cut down to a minimum the danger of getting acid in the containing jar and causing short circuits.

Several improvements have been made in the gas engine. We have arranged the exhaust and air valve cams so that any or all can be thrown off whenever the engine is stopped. In the Government boats one or more exhaust or air valves is open at all times, so that should the engine remain idle and water leak

surface or submarine torpedo boat may give reasonable notice and have his, her, or its subsurface or submarine torpedo boat tested by comparison or competition, or both, with a Government subsurface or submarine torpedo boat or any private competitor, provided there be any such, and therefore the board appointed for conducting such tests shall report the result of said competition to the Secretary of the Navy, who may purchase or contract for subsurface or submarine torpedo boats in a manner that will best advance the interests of the United States in submarine warfare: *And provided further*, That before any subsurface or submarine torpedo boat is purchased or contracted for it shall be accepted by the Navy Department as fulfilling all reasonable requirements for submarine warfare and shall have been fully tested to the satisfaction of the Secretary of the Navy."

3. The Board therefore respectfully recommends that the Holland Torpedo Boat Company be informed that its request will be granted and that the *Fulton*, if presented at the proper time and place, to be hereafter specified by the Department, will be tested by comparison with one of the Government submarine torpedo boats of the Holland type and by comparison and competition with the Lake Torpedo Boat Company's submarine torpedo boat *Protector*, provided the latter is presented for test at the time decided upon. The board further recommends that the test be made as soon after October 15 next as is practicable and that the Lake Torpedo Boat Company be informed that, in accordance with the request contained in its letter to the Department, of June 1, 1903, herewith, the *Protector* will then be tested by comparison with one of the Government submarine torpedo boats of the Holland type and by comparison and competition with the Holland Torpedo Boat Company's submarine torpedo boat *Fulton*.

4. It will be observed that the board recommends that the *Fulton* and *Protector* be tested by comparison with one of the Government boats of the Holland type, and not by competition, the board considering it an unnecessary labor and expense to retest the submarine boats, or any of them, of the Holland type, as they have all been tested for acceptance and the record of such acceptance tests will afford sufficient data for the purposes of comparison.

5. It is further recommended that these trials be conducted by the board of inspection and survey, or by a board specially appointed for the purpose, as the Department may direct, and at a point approved by the Department.

6. As the *Protector* and *Fulton* are of different types, no direct comparison can be made with regard to certain features which pertain exclusively to one or the other type, and for this and for other obvious reasons the board is of the opinion that the details of the test should be left to the discretion of the trial board, rather than be prescribed by the Department. Each boat, however, should be required to exhibit fully the special featurs which are claimed for her by her respective builder or owner and the attention of the trial board should be called to the following language in the act of March 3, 1903, namely:

"*And provided further*, That before any subsurface or submarine torpedo boat is purchased or contracted for it shall be accepted by the Navy Department as fulfilling all reasonable requirements for submarine warfare and shall have been fully tested to the satisfaction of the Secretary of the Navy."

7. The principal points to be considered and to which the trial board's attention should be called are, in the board's opinion, as follows:

(1) General character of the boat and her details as regards design, material, and workmanship.

(2) General character of the type as regards its utility for naval purposes.

(3) Safety.

(4) Facility and certainty of action when submerged.

(5) Speed and endurance when running on the surface, in light condition, and in condition for immediate submergence.

(6) Speed and endurance when submerged.

(7) Time necessary to go from light condition to one ready for immediate submergence.

(8) Time necessary to go from condition for immediate submergence to submerged condition.

(9) Maneuvering qualities on the surface and when submerged.

(10) Seaworthiness.

(11) Habitability.

(12) Durability.

(13) Offensive powers.

(14) Convenience of manipulation.

after October 15 next as is practicable, and to be conducted by the board of inspection and survey.

The above-mentioned companies have been advised of the Department's action in authorizing these tests.

The board will be governed by the suggestions and recommendations of the board on construction contained in the second indorsement hereon.

MOODY, *Secretary.*

(2.)

NAVY DEPARTMENT,
Washington, July 23, 1903.

SIR: 1. Replying to your letter of the 8th instant, in which you refer to the "act making appropriations for the naval service for the fiscal year ending June 30, 1904, and for other purposes," and offer the submarine torpedo boat *Fulton* to be "tested by comparison or competition, or both," with a Government submarine torpedo boat or any private competitor in accordance with the terms and conditions of said act, such test to take place as soon after the 15th of October, 1903, as may meet the convenience of the Department, you are informed that your request will be granted, and the *Fulton*, if presented at the proper time and place, to be hereafter specified by the Department, will be tested by comparison with one of the Government submarine torpedo boats of the Holland type, and by comparison and competition with the Lake Torpedo Boat Company's submarine torpedo boat *Protector*, provided the latter is presented for test at the time decided upon.

It is the intention of the Department to have this test made as soon after October 15 next as is practicable.

Very respectfully,

W. H. MOODY, *Secretary.*

HOLLAND TORPEDO BOAT COMPANY,
100 Broadway, New York City, N. Y.

(3.)

HOLLAND TORPEDO BOAT COMPANY,
New York City, July 24, 1903.

SIR: We beg to acknowledge the receipt of your letter, dated July 23.

If the board appointed to test these boats requires the firing of any torpedoes, we would be obliged if you would notify us of this fact, and would respectfully ask that the most improved torpedo be loaned us for the purpose.

Very respectfully,

HOLLAND TORPEDO BOAT COMPANY,
ELIHU B. FROST, *Secretary.*

The SECRETARY OF THE NAVY,
Navy Department, Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *July 29, 1903.*

Respectfully referred to the Board of Inspection and Survey for report and recommendation.

DARLING, *Acting Secretary.*

[Second indorsement.]

BOARD OF INSPECTION AND SURVEY, NAVY DEPARTMENT,
Washington, D. C., July 31, 1903.

Respectfully returned to the Department with recommendation that this request be granted.

C. R. ROELKER,
Captain, U. S. Navy, Senior Member Present.

[Third indorsement.]

NAVY DEPARTMENT, *August 3, 1903.*

Respectfully referred to the Bureau of Ordnance for report and recommendation.

By direction of the Secretary of the Navy:

F. S. CURTIS, Acting Chief Clerk.

(6.)

NAVY DEPARTMENT,
Washington, September 23, 1903.

SIRS: Replying to your letter of the 18th instant, stating that owing to delay in obtaining materials the submarine boat *Fulton* will not be ready for its tests until November 15, you are informed that the board of inspection and survey, which has been designated to conduct the competitive trials of submarine boats, reports that ample time has been given the Holland Torpedo Boat Company to prepare its boat for the competitive trial requested "on the 15th of October or as soon thereafter as practicable," and that it is essential that the boats submitted for test should be tried at the same time, if possible, on account of the weather conditions. Under the circumstances the Department requests that you will submit a more definite statement of facts before it gives consideration to the proposed postponement of these competitive trials.

Very respectfully,

W. H. MOODY, *Secretary.*

The HOLLAND TORPEDO BOAT COMPANY,
100 Broadway, New York City.

(7.)

HOLLAND TORPEDO BOAT COMPANY,
New York City, September 25, 1903.

SIR: Yesterday we received a letter from your office, replying to our letter of September 18, in reference to postponing the tests of the submarine boat *Fulton* until November 15.

We would respectfully ask for a copy of the Department's letter, as the original has either been lost or mislaid by us.

Regretting to trouble you in this matter, we are,

Very respectfully,

HOLLAND TORPEDO BOAT COMPANY,
ELIHU B. FROST, *Secretary.*

The SECRETARY OF THE NAVY,
Navy Department, Washington, D. C.

(8.)

NAVY DEPARTMENT,
Washington, September 26, 1903.

SIRS: Agreeable to the request contained in your letter of the 25th instant, I herewith inclose for your information a copy of the Department's letter of the 23d instant, relative to your request for postponement of the tests of the submarine boat *Fulton.*

Very respectfully,

B. F. PETERS,
Chief Clerk.

The HOLLAND TORPEDO BOAT COMPANY,
100 Broadway, New York City.

(9.)

HOLLAND TORPEDO BOAT COMPANY,
New York City, September 26, 1903.

SIR: We are in receipt of your letter dated September 23, and in reply we would say that the *Fulton* has been lying at our yard in a dismantled condition since the spring of 1902, and it has been our intention since the passage of the last naval appropriation bill to place the vessel in commission again as soon as possible after the completion and delivery to the Government of the last vessels built for it, namely, the *Porpoise, Shark,* and *Plunger.* We found it desirable to incorporate into the vessel a number of improvements which we had developed since her first commission. The designs being completed, the

7. It is also recommended that the Lake Torpedo Boat Company of Bridgeport, Conn., be informed that the Department has decided to hold the competitive trials of submarine boats authorized by the act of March 3, 1903, at Newport, R. I., as soon as practicable after November 15, 1903.

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

[Third indorsement.]

NAVY DEPARTMENT, *October 8, 1903.*

Respectfully returned to the board of inspection and survey.

The recommendation of the board contained in the second indorsement hereon is approved. In accordance therewith it is directed that the competitive trials of the submarine boats authorized by the Department's indorsement of July 23, 1903, pursuant to the act of March 3, 1903, be held at Newport, R. I., on the 16th of November, 1903. The Holland Torpedo Boat Company and the Lake Torpedo Boat Company have been advised accordingly.

MOODY, *Secretary.*

[Fourth indorsement.]

BOARD OF INSPECTION AND SURVEY, NAVY DEPARTMENT,
Washington, D. C., October 13, 1903.

Respectfully returned to the Department.

Contents noted.

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

(10.)

NAVY DEPARTMENT, *October 8, 1903.*

SIRS: Referring to this Department's letter of July 23, 1903, relative to the test as soon after October 15, 1903, as may meet the convenience of the Department of your submarine boat *Fulton* by comparison with one of the Government submarine torpedo boats of the Holland type and by comparison and competition with the Lake Torpedo Boat Company's submarine torpedo boat *Protector*, and to your letters of September 18 and 26, respectively, requesting the delay of said test until November 15, owing to a delay in securing materials for the *Fulton*, you are informed that the Department has this day directed, pursuant to the act approved March 3, 1903, that the above-mentioned trials be held at Newport, R. I., on the 16th of November, 1903.

Very respectfully,

W. H. MOODY,
Secretary.

The HOLLAND TORPEDO BOAT CO.,
100 Broadway, New York City.

(11.)

HOLLAND TORPEDO BOAT COMPANY,
New York City, October 10, 1903.

SIR: We are in receipt of your letter of October 8, 1903, informing us that the test of the submarine boat *Fulton* in comparison with a Government boat of the Holland type and with the Lake boat *Protector* will be held at Newport on the 16th of November, 1903.

Very respectfully,

HOLLAND TORPEDO BOAT COMPANY,
ELIHU B. FROST, *Secretary.*

The SECRETARY OF THE NAVY,
Navy Department, Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *October 12, 1903.*

Respectfully referred to the Board of Inspection and Survey for its information.

By direction of the Secretary of the Navy:

B. F. PETERS, Chief Clerk.

[First indorsement.]

NAVY DEPARTMENT, *October 22, 1903.*

Respectfully returned to the Board of Inspection and Survey.

Copies of the within-mentioned general programme of tests and trials of submarine torpedo boats *Fulton* and *Protector* were furnished the Holland Torpedo Boat Company and the Lake Torpedo Boat Company on the 21st instant.

CHAS. H. DARLING, *Acting Secretary.*

(14.)

General programme of competitive trials of subsurface and submarine boats to be held at Newport, R. I., beginning on November 16, 1903, under the provisions of the "Act making appropriations for the naval service for the fiscal year ending June 30, 1904, and for other purposes."

PREPARATION OF COMPETING BOATS FOR THE TRIALS.

1. For the purposes of these trials each competing boat must be provided by her builders with a mast (of such cross sections as to create as little resistance as possible when the vessel is navigated submerged) securely supported by wire-rope shrouds and stays and so designed that it will possess ample strength to be carried by the vessel when propelled submerged at the highest speed that can be developed. The height of the mast must be such as to fulfill both of the following requirements:

(*a*) The top of the mast must be at least 25 feet above the water line at which the vessel floats when in her light condition for surface running, and

(*b*) The top of the mast must be at least 5 feet above the top of any periscope or other similar fittings with which the vessel is provided, so that when the vessel (with the exception of the mast) is entirely submerged below the surface of smooth water at least 5 feet of the upper portion of the mast will be exposed.

2. The mast of each contestant will be painted with bands of two alternate colors, each 1 foot in width when measured in a vertical direction, and beginning at the top of the mast with the band of the darkest of the two colors used. The mast of the *Protector* to be painted with alternate bands of black and white and that of the *Fulton* with alternate bands of bright red and light yellow. At the top of the mast there will be fitted a small sheet of metal of at least 1 square foot area, so designed that it may act as a distinguishing pennant, and for this purpose it will be of such shape and color as to be readily recognized as belonging to a particular boat.

3. The object of fitting this mast is to permit the trial board to at all times know the exact position of the competing boats and to be able to distinguish one boat from another when submerged.

4. Each competitor will also prepare the following information relative to his vessel, which must be submitted by him on November 16, 1903, to the board conducting the competitive trials of these vessels:

(*a*) A full set of general plans, showing the arrangement of the vessel and its various fittings and giving all principal dimensions.

(*b*) Copies of detail working plans showing the exact method of construction of each part of the vessel and the material used.

(*c*) Copies of all specifications under which the vessel, its machinery, and fittings were built; these papers to include the records of all tests that have been made of the material used in the construction of the vessel, not only as to unworked material, such as steel or iron plates, shapes, etc., but also as to all assembled parts or fittings of the vessel which were constructed, either in part or in their entirety, away from the works of the builders of the vessels, as, for example, the storage batteries, gas engines, electric motors used for propulsion and other purposes, etc. While it is not desired that any tests should be made or specifications prepared by the competitors especially for the use of the board in this connection, yet it is desired that the information furnished under this head may be sufficiently complete to show clearly the character of the supervision exercised by the designers and builders in selecting materials and otherwise conducting the construction of the vessels.

carried by the competitors and two additional persons will be provided by each competitor in the outfit of his vessel.

VIII. Trials herein designated as "service trials," and approximating in the closest possible manner the probable and reasonable requirements of submarine warfare, will be held under detailed instructions to be prescribed by the trial board at the time the trials are conducted, but which will fulfill the following general conditions:

(*a*) Service test of submarines operating from a shore base against a vessel in the open sea. The submarines will proceed in "light condition" from Newport Harbor to a stake vessel anchored in the neighborhood of Point Judith, and there will pass from the "light condition" to the "submerged condition" and will then proceed entirely submerged (except when coming toward the surface for the purpose of observation as hereafter described) to a second stake vessel to be anchored in the neighborhood of Block Island, where torpedoes will be discharged by each vessel against one of two targets; each target will be represented by the distance between two ship's cutters anchored 300 feet apart, and the two targets, each of which will be located about 300 yards from, and on opposite sides of, the state vessel, will be so arranged that the tests may be proceeded with simultaneously by both submarines without possibility of interference, and by this means permit a strictly competitive trial to be held. The submarines will then return to Newport over a course which will be prescribed by the trial board and which will be of such a character as to enable each vessel to demonstrate the actual radius of action of which its propelling power when entirely submerged is capable. The details of these tests as to the depth to be maintained by the submarines when operating in the entirely submerged condition and the course to be followed will be furnished the vessels on the day this trial is held. The day selected for this trial will, if practicable, be one with a moderate sea running so as to fully demonstrate the seaworthiness of the submarines when operated in such weather both in the light and submerged conditions. The use of periscopes or other similar fittings is authorized during this test, but the time that they are exposed to view, the area presented for observation, and the surface disturbance they create when visible, will be noted in the record of the trial and will receive due consideration by the board. It is considered that absolute invisibility except during short periods of exposure permitting an observation of the vessels' position to be taken, and at those times the least possible surface disturbance that might lead to the detection of the presence of a submarine, are essential features in the successful design of a vessel to be employed in submarine warfare; and will be so considered by the board in considering the performances of the competing vessels in this test.

(*b*) A second service test will be made from a shore base against a vessel in the open sea, for the purpose of demonstrating the conditions of operation of the vessel when the periscope is not used.

(*c*) A third service test will be made with the submarines, starting from a point in the open sea, the submarines being in the "light condition," and a simulated attack will be made against mine defenses in a harbor to be selected by the trial board. The test will consist in the submarine approaching and entering the harbor in a totally submerged condition, only coming to the surface for such observations through the periscope or other similar fitting as may be necessary for the purposes of navigation, and in cutting a length of submerged cable of a character similar to that used for controlling harbor mines. The cable will be actually cut and a portion of it removed, and the submarine will return to her sea base without coming to the surface, except as necessary for safety in order to be properly navigated.

The time required to perform each of the above tests will receive careful consideration from the board in its ratings of the merits of the competing vessels, and each contestant will be required to navigate his vessel during said tests at the highest speed practicable, having due consideration to the trial requirements.

IX. The order in which the trials are to be held will be determined by the trial board, but the competing vessels will be present at Newport, R. I., at 10 a. m. on November 16, 1903, ready to immediately proceed with any of the speed trials over the measured mile course prescribed above. All the outfit necessary for the crew to remain on board during the twenty-four-hour habitability test, except consumable stores, will be carried by the competing vessels during all the trials and will be on board when they are presented for trial on November 16.

(18.)

HOLLAND TORPEDO BOAT COMPANY,
New York, November 2, 1903.

SIR: Referring to the Department's communication of the 21st ultimo, and its previous correspondence relative to competitive trials of submarine torpedo boats to be held on the 16th instant, we regret to inform you that we will be unable to present the *Fulton* for trial on the date set. A number of causes have combined to delay the preparations of this vessel, the most important of which being the development of some obscure difficulty in the storage battery. This difficulty has been progressive and has required the renewal of a number of cells, which work is not yet completed. Neither the manufacturers nor ourselves have been able so far to discover the cause of this trouble, and the vessel can not be prepared for exhaustive test until this difficulty is entirely overcome.

The matter has progressed far enough now to enable us to state that we can not be ready on the 16th instant, but not far enough to enable us to state when we can offer the vessel for trial. In view of the uncertainty as to when she can be prepared for trial, we prefer to postpone our request for such trial until the vessel is actually ready.

Referring to the programme for the tests and trials, forwarded with Department's letter above referred to, we note that a twenty-four-hour habitability trial is there provided for in section 7. Should it be the Department's intention, in the absence of the *Fulton*, to make such a test with one of the Government boats, we desire to inform you that we would be glad to loan to the Department the portable outfit provided for the *Fulton*, which could be temporarily installed in the Government boat selected for this trial practically without expense.

Very respectfully,

HOLLAND TORPEDO BOAT COMPANY,
ELIHU B. FROST, *Secretary.*

The SECRETARY OF THE NAVY,
Navy Department, Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *November 5, 1903.*

Respectfully referred to the Board of Inspection and Survey for report and recommendation.

By direction of the Secretary of the Navy:

B. F. PETERS, *Chief Clerk.*

[Second indorsement.]

BOARD OF INSPECTION AND SURVEY, *November 7, 1903.*

Respectfully returned to the Department.

The board recommends that the trial of the Lake boat *Protector* be proceeded with on November 16, 1903, in general conformity with the programme forwarded with the board's letter of October 19, 1903, and that the Holland Torpedo Boat Company be informed that if they so desire one of their boats now in the possession of the Government will be loaned to them in order that there may be a competitive trial between the two types of boats, it being understood that this boat will be returned by the Holland Torpedo Boat Company in the same condition as that in which it is delivered to them and without expense to the Government.

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

(19.)

NAVY DEPARTMENT,
Washington, November 9, 1903.

SIRS: Referring to your letter of the 2d instant, stating that you will be unable, for the reasons stated therein, to present the *Fulton* for trial on the 16th instant, in connection with the competitive trials of submarine torpedo boats to be held on that date, but that in connection with the twenty-four

(22.)

HOLLAND TORPEDO BOAT COMPANY,
New York, November 18, 1903.

SIR: Referring to the Department's communication of the 14th instant, we note that the Department states that it is not practicable to postpone the proposed competitive trials of submarine boats, and that further waiting can not be authorized as suggested by us. In this connection we desire to point out to the Department that we did not request a postponement of the competitive trials of submarine boats, for the reason that we had already been granted one postponement by the Department, and, further, that on account of the obscure nature of the difficulty with the storage battery it was impossible for us to set a date in advance when we would certainly be ready.

To avoid any possible misunderstanding, we deem it proper to again inform the Department of our position in the premises, as follows:

We propose to complete the preparation of the *Fulton* for trial and to inform the Department as soon as possible of the exact date we will be prepared to present her for trial, with a request that she be tried as soon after that date as the Department's convenience may permit, it being our understanding that the unavoidable delay in preparing her for trial does not deprive us of our rights to a trial in "competition" or by "comparison," since the terms of the act may be complied with in the absence of a direct "competitive" test by subjecting all competing boats to the same trials for "comparison" with the Government boats.

Very respectfully, HOLLAND TORPEDO BOAT COMPANY,
ELIHU B. FROST, *Secretary.*

The SECRETARY OF THE NAVY,
Navy Department, Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *November 21, 1903.*

Respectfully referred to the board of inspection and survey for comment and recommendation.

By direction of the Secretary of the Navy.

B. F. PETERS, *Chief Clerk.*

[Second indorsement.]

BOARD OF INSPECTION AND SURVEY,
November 27, 1903.

Respectfully returned to the Department.

The board recommends that the trial of the *Fulton* take place as soon as the contractors are entirely ready.

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

(23.)

NAVY DEPARTMENT, BOARD OF INSPECTION AND SURVEY,
Washington, November 20, 1903.

SIR: 1. In obedience to Department's order of November 13, 1903, for the competitive tests and trials of the Holland Torpedo Boat Company's submarine torpedo boat *Fulton*, and the Lake Torpedo Boat Company's submarine torpedo boat *Protector*, the board has the honor to report as follows:

2. The board assembled at Newport, R. I., at 9 a. m. on November 16, 1903, and was informed by the Holland Torpedo Boat Company's representative that the *Fulton* was not ready for trial and would not be for several weeks. The Lake Torpedo Boat Company's boat *Protector* had not arrived. She arrived on the afternoon of the following day, and the [illegible] Mr. Lake, informed the board that certain in[illegible] board shaft necessitated going [illegible] had not had sufficient time for [illegible] and requested that the trial [illegible] making repairs and exercisin[illegible] ready for trial he will advise [illegible]

3. The board therefore retu[illegible]

Very respectfully,

The SECRETARY OF THE NAV[illegible]

(27.)

HOLLAND TORPEDO BOAT COMPANY,
New York, February 9, 1904.

SIR: Referring to the Department's communication of the 19th ultimo, and to previous correspondence relative to the proposed competitive tests of subsurface and submarine boats under the "Act making appropriations for the naval service for the fiscal year ending June 30, 1904, and for other purposes," approved March 3, 1903, we have the honor to inform the Department that the work of repairing the storage battery of the *Fulton* has now progressed far enough to enable us to make an estimate as to when this vessel will be ready for trial. This date we now think will be about April 15 next, but we can not at this time formally offer her for trial on that date, as it will be necessary to prove the efficiency of the battery after reinstalling the same before a definite date can be set. We now estimate that we will be able to state definitely when the *Fulton* will be ready on or prior to April 1 next.

Upon formally offering this vessel for the trial the provisions of the Department's communication above referred to will be complied with.

Very respectfully,

HOLLAND TORPEDO BOAT COMPANY,
ELIHU B. FROST, *Secretary.*

The SECRETARY OF THE NAVY,
Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *February 17, 1904.*

Referred to the Board of Inspection and Survey for its information.

DARLING, *Acting Secretary.*

[Second indorsement.]

BOARD OF INSPECTION AND SURVEY, NAVY DEPARTMENT,
Washington, D. C., April 13, 1904.

Respectfully returned to the Department.
Contents noted.

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

(28.)

THE HOLLAND TORPEDO BOAT COMPANY,
New York City, April 1, 1904.

SIR: Referring to our letter of February 9, 1904, and to the Department's communication of January 19, 1904, and to previous correspondence relative to the proposed competitive test of subsurface and submarine boats under the "Act making appropriations for the naval service for the fiscal year ending June 30, 1904, and for other purposes," approved March 3, 1903, we regret to inform the Department that the work of repairing the *Fulton* has been unavoidably delayed, so that she can not be ready for trial by April 15, as we had hoped. The delay has been due to a combination of causes, the most important of which were: Delay in receipt of material, unusually severe weather, and the breakdown of our power and distilling plant. We have endeavored to offset this unavoidable delay by augmenting our force and working night and day gangs. Notwithstanding this the work is from three to four weeks behind schedule and is in such a condition that we are not able to state definitely when the vessel will be ready for trial.

We now think that on the 21st instant we will be able to set definitely a date when the vessel will be ready for trial, which will probably be about May 9.

Upon formally offering this vessel for trial the provisions of the Department's communication above referred to will be complied with.

Very respectfully,

HOLLAND TORPEDO BOAT COMPANY,
ELIHU B. FROST, *Secretary.*

The SECRETARY OF THE NAVY,
Washington, D. C.

(30.)

HOLLAND TORPEDO BOAT COMPANY,
New Suffolk, Long Island, N. Y., April, 21, 1904.

SIR: We have the honor to inclose herewith, for your information, copy of a letter which we are addressing to the Department under this date relative to the date when the *Fulton* will probably be ready for competitive trials.

Very respectfully,

HOLLAND TORPEDO BOAT COMPANY,
ELIHU B. FROST, *Secretary.*

Capt. C. J. TRAIN, U. S. Navy,
President Board of Inspection and Survey,
Navy Department, Washington, D. C.

(31.)

[Telegram.]

WASHINGTON, D. C., *April 23, 1904.*

Mr. C. T. SPEAR,
Holland Torpedo Boat Company,
New Suffolk, Long Island, N. Y.:

Am preparing proprietary requisition for Bureau Construction for one revolving periscope 15 feet high for *Shark* and one power-operated 15-foot periscope for *Porpoise*, both to have steering-gear extension, and on the *Porpoise*, in addition, an independent compass installation. All as your letter 19th. Requisition will be forwarded you at once.

WOODWARD.

(32.)

HOLLAND TORPEDO BOAT COMPANY,
New York, May 3, 1904.

DEAR MR. WOODWARD: Last Friday when I discussed the matter of trials with you I understood that the week beginning May 16 would be convenient to the board. If I remember correctly, Mr. Cowles said there would be a surface torpedo boat ready for trial at that time, but that as the contractors had kept your board waiting the trial of that boat could be delayed until the week beginning May 26. After conference with Mr. Spear, and stating your board's engagements as I have stated in this letter, Mr. Spear said that he would prefer the 26th rather than the 16th, and that we would be able on Monday or Tuesday of next week at the latest to notify the Department that we would be ready for our trials May 26.

I write this to you in order that the board may not be inconvenienced should we find that we are unable to be ready by the 16th, which will undoubtedly be the case.

Very sincerely,

E. B. FROST.

Naval Constructor J. J. WOODWARD, U. S. Navy,
Board of Inspection and Survey, Navy Department,
Washington, D. C.

(33.)

MAY 12, 1904.

DEAR WOODWARD: We are writing the Department and sending copy for our letter to Captain Train, stating that we will be ready for trial on the 30th instant and asking for trial as soon thereafter as possible. Owing to a very annoying delay in connection with getting material for repairs to the engine we are losing more time over that job than we had expected, whch makes preparations for the 23d a trifle too hurried to be safe, and as we want to begin at the beginning of the week that means the 30th.

(84.)

HOLLAND TORPEDO BOAT COMPANY,
New Suffolk, Long Island, N. Y., May 13, 1904.

SIR: Referring to previous correspondence as to when our submarine boat would be ready for competitive or comparative trial under the "Act making appropriations for the naval service for the fiscal year ending June 30, 1904, and for other purposes," approved March 3, 1903, we beg to inform the Department that this vessel will be ready for trial on the 30th instant, and we respectfully request that the trials be proceeded with as soon thereafter as the Department's convenience will permit.

In compliance with the requirements of the Department's communication of January 19, 1904, we beg to state that the vessel which we now submit to the Department for test will be finally completed on the date set, and that we are prepared to accept as final, for the purposes of this act above referred to, the result which this boat is capable of developing on trial on or after the date set.

Very respectfully,

HOLLAND TORPEDO BOAT COMPANY,
ELIHU B. FROST, *Secretary.*

The SECRETARY OF THE NAVY,
Washington, D. C.

[First indorsement.]

NAVY DEPARTMENT, *May 14, 1904.*

Respectfully referred to the Board of Inspection and Survey for report and recommendation.

DARLING, *Acting Secretary.*

[Second indorsement.]

BOARD OF INSPECTION AND SURVEY, *May 17, 1904.*

Respectfully returned to the Department.

The within arrangements for the trial of the Holland Torpedo Boat Company's submarine boat are satisfactory, and it is recommended that the trial take place at Newport, R. I., as soon after the 30th instant as practicable.

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

[Third indorsement.]

NAVY DEPARTMENT, *May 19, 1904.*

Respectfully returned to the Board of Inspection and Survey.

The Holland Torpedo Boat Company has been advised that the within arrangements for the trial of its submarine boat *Fulton* are satisfactory, and that the trial will take place at Newport, R. I., as soon after the 30th instant as practicable.

CHAS. H. DARLING,
Acting Secretary.

[Fourth indorsement.]

BOARD OF INSPECTION AND SURVEY, *May 21, 1904.*

Respectfully returned to the Department, contents noted.

C. J. TRAIN,
Captain, U. S. Navy, President of Board.

[Fifth indorsement.]

NAVY DEPARTMENT, *May 26, 1904.*

Respectfully referred to the Bureau of Navigation, with directions to issue the necessary orders to the members of the Board of Inspection and Survey to proceed to Newport, R. I., for duty in connection with the trial of the submarine boat *Fulton*, which will take place as soon after the 30th instant as practicable.

MOODY, Secretary.

(38.)

[Telegram.]

WASHINGTON, *D. C., May 27, 1904.*

HOLLAND TORPEDO BOAT COMPANY,
Hanover Bank Building, Manhattan, New York:

Telegraph president board of inspection and survey when *Fulton* reaches Newport and is ready to begin competitive trials. Board will not start until your telegram is received. June 1 is earliest date trials can begin at Newport.

TRAIN.

[Telegram.]

NEWPORT, R. I., *May 27, 1904.*

Capt. C. F. TRAIN, U. S. Navy,
Board of Inspection and Survey,
Navy Department, Washington, D. C.:

Fulton is here, ready for trial at any time.

L. Y. SPEAR.

(39.)

[Telegram.]

NEWPORT, R. I., *May 27, 1904.*

Naval Constructor J. J. WOODWARD,
Board of Inspection and Survey,
Navy Department, Washington, D. C.:

Fulton arrived yesterday. Is in good condition and ready for trial at any time.

L. Y. SPEAR.

(40.)

[Telegram.]

NEW YORK, *May 27, 1904.*

Capt. C. J. TRAIN,
President Board of Inspection and Survey,
Navy Department, Washington, D. C.:

Fulton reached Newport yesterday. Assume she will be ready for test when board arrives, but have asked Spear to telegraph you.

HOLLAND TORPEDO BOAT CO.,
By E. B. FROST.

(41.)

Letter from Holland Torpedo Boat Company, dated from Newport, R. I., June 7, 1904, addressed to the president of the board, submitting a statement as to differences existing between the *Fulton* and the submarine boats owned by the Government of the *Adder* class, closing as follows:

"In conclusion, we beg to state that this information as to the improvements incorporated into the *Fulton*, and the reasons therefor, is furnished to the board on the understanding that it shall be regarded as confidential. On our part, we undertake to hold the improvements in the *Fulton* as confidential until such time as the Navy Department may see fit to release us."

The general features of the changes referred to are incorporated in the report of the board, commencing page 35, details of construction regarded as confidential being omitted.

(3) The reservation of $30,000 from existing appropriation for an open competition on a special small type of submarine boat, this company begs to submit the following:

This company has under preparation designs of submarine boats of the approximate dimensions called for by the trial board's recommendations. These designs are now sufficiently advanced to enable us to quote on them and to enter immediately into a contract for the construction of boats of approximately 76 feet in length. The price for this type, if ordered in groups of three or more, will be $200,000 each. The price of the 100-foot type will be $250,000 each. Under these circumstances we beg to point out that it will be impossible for the Department to carry out the exact recommendations of the board unless advantage is taken, prior to July 1, of the appropriation of $500,000 appropriated by the act approved March 3, 1903, which is now available for expenditure, and, if expended as authorized, would not serve to reduce the amount appropriated by the act approved April 27, 1904, since the latter act clearly provides for the reappropriation only of the unexpended balance of the appropriation made by the act of 1903, the other provisions of the act of 1903, with regard to trials and other matters, being continued by the act of 1904.

We beg to submit herewith, in duplicate, a proposed form of contract for submarine boats of the 76-foot type. Incorporated with this contract is a set of outlined specifications defining the general characteristics of the vessel which we propose to furnish, and in the ninth clause of this contract the trial requirements and guaranteed performance of this type of vessel are set forth in full. Owing to the necessity for holding this design in an uncompleted condition until it was found to meet the views of the Department, it will be impossible for us at the present time to accompany the contract with plans; but the Government's interests are thoroughly protected by the provisions requiring the submission and approval of plans before the work has begun and providing for the usual Government inspection. Some other minor changes from the last contract for submarine boats have been made, the reasons for which we will be pleased to submit on request.

The guarantees as to speed, which we have incorporated in this proposed contract, are slightly below the speeds suggested by the trial board as subject to revision after model trials, it being impossible to secure, prior to July 1, the results of the model test on this type—now under way at the Washington Navy-Yard—since such test has been delayed by a press of a regular Government work. The guaranteed speeds, however, are in each case a marked advance over the speeds developed by the *Fulton* upon trial.

If we may expect to receive an order, in accordance with the recommendations of the board, for at least three vessels of this type, we are prepared now to contract immediately for one or two for the sum of $200,000 each. It is respectfully requested that this proposed form of contract be taken under immediate consideration.

With regard to the proposed competition for a special type of small submarine boat, we beg to inform you that we are prepared at any time to undertake the design and construction of such a vessel for competitive trial, upon being informed by the Department that such competition is to be held, together with the terms of the same.

Very respectfully,

ELECTRIC BOAT COMPANY.
By L. Y. SPEAR, *Vice-President.*

[First indorsement.]

NAVY DEPARTMENT,
June 28, 1904.

Respectfully referred to the board on construction for consideration.

By direction of the Secretary of the Navy:

B. F. PETERS, *Chief Clerk.*

[Second indorsement.]

NAVY DEPARTMENT, BOARD ON CONSTRUCTION,
September 7, 1904.

Respectfully returned to the Department.

The Lake Torpedo Boat Company having made formal request, under date of July 1, 1904, to have its submarine boat "tested by both competition and comparison with a Government submarine boat, or any private competitor, provided there be any such, prior to the purchase or contract for $850,000 worth of submarine boats, as provided by the act of Congress taking effect July 1, 1904,"

type of submarine boat. Without being advised fully as to the purport of this reference, I deem it not inappropriate to remark that, if the boat now offered by the Lake company belongs to the class of vessels designated as a special small type of submarine boat, the procuring of boats of the *Fulton* type need not be, in my judgment, delayed until test of the Lake boat shall have been made.

It is learned, upon inquiry of the Bureau of Supplies and Accounts, that no part of the sum of $850,000 appropriated by the above-mentioned act has been expended or obligated.

S. W. B. DIEHL,
Judge-Advocate-General.

(46.)

NAVY DEPARTMENT, BOARD OF INSPECTION AND SURVEY,
Washington, June 29, 1904.

MY DEAR SPEAR: I inclose herewith a copy of a letter I have sent to-day to Mr. Hemment, and will be obliged if, as previously agreed verbally in our conversations concerning these negatives, you will not authorize him to make any of the prints public, nor do so yourself, until we have the authority of the Navy Department to make the report public.

I think the above corresponds with our previous discussion at the time you stated you wished to employ Mr. Hemment to take photographs of the *Fulton's* trials for the use of the Holland company at the same time that he did for the Government, and afterwards when you agreed to surrender all the original negatives to the Government that were desired to complete the records, simply keeping such negatives as were not selected by the Government, and making copies of those which were selected which you desired to retain for your files.

Yours, very truly,

J. J. W.,
Naval Constructor, U. S. Navy.

Mr. L. Y. SPEAR,
Holland Torpedo Boat Company,
New Suffolk, Long Island, N. Y.

(47.)

[Telegram.]

(About July 12, 1904—No date inserted.)

Mr. L. Y. SPEAR,
Holland Torpedo Company,
New Suffolk, Long Island, N. Y.

Can you meet me at New Suffolk on Friday and Saturday this week to consider details of all changes that should be made in *Plunger*, so I can recommend to Department those not already provided for?

I can come this week, but not next week or the week after.

WOODWARD.

(48.)

BOARD OF INSPECTION AND SURVEY, NAVY DEPARTMENT,
Washington, July 23, 1904.

DEAR MR. FORD: Yours of the 25th instant is received this morning, on my return from Fortress Monroe.

I expect, if I receive favorable telegram from Mr. Spear, to spend Sunday at New Suffolk, in order to go over the additional alterations that I want to recommend to the Department to be made on the *Plunger*.

I would like to ask you to meet me at the works of the Holland company, at New Suffolk, about 10 o'clock Sunday morning, so that I can discuss various matters in connection with the work on that vessel with you.

Very respectfully,

J. J. WOODWARD,
Naval Constructor, U. S. Navy.

Mr. C. A. FORD,
Holland Torpedo Boat Company,
New Suffolk, Long Island, N. Y.

earliest possible completion of this boat, expending during these operations a sum exceeding $50,000. The boat was finally completed and presented for test at Newport on May 30, 1904. The test, which was conducted by the board of inspection and survey of the Navy Department, began on June 1 and was of an elaborate and exhaustive character, continuing each day to and including June 10. The trial board made its report under date of June 16, 1904. In setting forth in great detail the exact trials made and the results thereof the board proceeds to give its opinion of the relative merits of the *Fulton* and the Government submarine boats of the *Adder* class. Without going into this in detail, it may be said that they refer in detail to the changes which were made in the *Fulton* over the *Adder* class, stating that these changes materially increased her utility for naval purposes over and above that of the submarine of the *Adder* class, that they decreased the probability of accident and correspondingly increased the safety of operation. Referring, then, particularly to the qualities laid down in the conditions of test as desirable qualities of submarine boats, they enumerated 26 different attributes of importance, in 17 of which the *Fulton* is considered superior to the *Adder* class and in 9 the same.

The boards report finally that the *Fulton* is superior to the best Government submarine boat and fulfills all reasonable requirements of submarine warfare. The board then proceeds to recommend the contract and construction of three boats of the type of the *Fulton*, but of 20 per cent greater displacement, which would give considerably increased military power. Also of a boat of the same type, but 100 feet long, and then recommends that a further public competition be made for the purchase of a small submarine of a new type of about 45 feet in length.

As the results of the test of the *Fulton*, I feel fully justified in saying that the character of the board's report showing the absolutely successful test of the *Fulton* in every particular and in full compliance with the requirements of submarine warfare and the provisions of the law as an achievement which in its completeness would surpass the expectations of the most enthusiastic of those interested in submarine warfare and more than could be anticipated by those whose interests were at stake.

The company sincerely regrets that its competitor was not present and did not receive the test which would have produced a definite conclusion, as was intended in the provisions of the act of Congress, but that not having occurred, we desire brifley to call attention to the circumstances, viz: That about September, 1903, our competitor called the attention of the Navy Department to the fact that his boat was ready for test and would be presented for trial on the date set in October, but that it was quite evident that the Holland boat would not be ready and was being intentionally delayed for the purpose of embarrassing and delaying and causing extra expense to its competitor. The Holland company, on being informed of his by the Navy Department, immediately satisfied the Department and its officers of its entire good faith and its utmost endeavors to complete the *Fulton* without delay and its sincere regret that the boat would not be able to compete on the date set by the Department. Our competitor, having arrived at the trial ground two days after the second date appointed, viz, on November 17, 1903, reported that the boat had met with an accident and could not be submitted for trial. Our competitor, having appointed a second date in January, 1904, presented the boat with a statement that the boat was not considered by them satisfactory in many respects, but if the board would, after examination, find her suitable for Government service and would so recommend, they would make the desired improvements at their own expense. Following this the Navy Department notified the Holland company, as well as our competitor, under date of January 19, 1904, that before we applied for a competitive trial it would be necessary to furnish the Department with a formal statement in writing to the following effect:

"That the boat which you submit to the Department for test is at that time finally complete and that you are prepared to accept as final, for the performance of this vessel, the result which your boat is capable of developing on trial at the present time."

Since that time our competitor has not appeared for test, nor has he communicated with the Department. The Holland Company, on the other hand, in reporting the *Fulton* ready for trial, made the desired statement in writing to the Department, as quoted above, and I desire to call your attention to the fact that the requiring and making of such an undertaking implies on the part of the Department an obligation to act upon the satisfactory result of the test, and it is upon this view that the Holland Company considers that, in view of

March 3, 1903, issued a public call for a competitive trial of submarine boats. The Holland Company informed the Department that it desired to submit the *Fulton* for this test, and undertook extensive improvements in that boat before submitting it, involving expenditures exceeding $50,000. The Holland Company complied with the conditions of the Department in agreeing that the boat which it submitted was complete, and that it accepted as final the performance of the vessel on trial. The *Fulton's* test was made by the board of inspection and survey at Newport, occupying ten complete days, and was reported by the board in their report of June 17, 1904, as fulfilling all the reasonable requirements of submarine warfare and being essentially superior to the best Government boat. On the other hand, our competitor, having in his possession a boat which he had offered for trial and had twice presented to the board on the trial ground and then withdrew, failed to appear and failed to submit to the conditions of the Department.

As the result of these facts it will probably be admitted that if there had been no interruption in the administration of the Navy Department it would have resulted in the award to the Holland Company of a contract for additional boats immediately after the trial. As the result, however, of a change in the administration of the Department, delay in its action upon the board's report was involved, and submitted to on the part of the Holland Company.

The real situation was that the Holland Company has produced for the Government seven successful boats, which have been delivered in full compliance with the terms of the contract during 1902, and have since been in actual service under regular service conditions. The Department is in possession of numerous reports showing their efficient performance of duty, concerning which permit us to refer to only one, the most recent, of the action of the submarine boat *Shark* in proceeding from Newport, R. I., about 45 miles to Menemsha Bight to attack the North Atlantic Squadron there at anchor, after due notice, and arriving there in broad daylight, succeeded in approaching a vessel of the fleet within 50 yards before detection. The *Shark*, after this maneuver, returned to Newport in such heavy weather that obliged the battle ship squadron to proceed for safety to sea. The Holland Company, taking the *Fulton*, a duplicate of the *Shark*, made at its own expense considerable additions and improvements resulting in the recommendations of the trial board. In addition to that, it has prepared ready for the action of the Department designs of boats of increased capacities, which the board has recommended for adoption, and stated that they involved experimental features. Therefore, we believe that in the opinion of any unprejudiced technical person it must be admitted that the Holland boat stands in the position of a perfected mechanism and a practical and desirable naval weapon, but its continued progress is being held up by the solicitations of parties who have a discredited, incomplete, experimental, and useless article.

We desire to point out to the Department that, having solicited a public competition and obtained a result wholly satisfactory to ourselves and certainly, as it would appear from the action of Secretary Moody, satisfactory to the Department, we have disposed of the boat which made these trials, and now at short notice and without any knowledge of the exact conditions, we learn for the first time that our competitor has under construction an improved boat for the purpose of submitting it to the Navy Department for competitive test. While we welcome and desire an early and conclusive competitive test, we feel that we should not be subjected to the financial loss which the delay involves, nor should we be placed at the disadvantage from having the conditions of the trial, in which we entered in good faith, completely changed without notice to ourselves, viz, in respect to permitting our competitor to prepare and submit a new boat after the completion of the competition, which we had every reason to suppose was closed. The point of this is that we feel that in the remote possibility of the Lake Torpedo Boat Company making a successful trial upon the third Thursday in November, it would be obviously unjust to enter into a contract with them without permitting us the same privileges of going on and producing at our leisure another improved boat to be tested at our own discretion. It would be apparent from this that there would be an unending series of tests.

The Department's decision to delay action upon the award of submarine contracts until January 1 is a very considerable source of disadvantage and loss both to the Holland Torpedo Boat Company and to the Fore River Shipbuilding Company, as subcontractors, because preparations had been made for the construction of special buildings for building these boats under cover,

the right to impose such conditions as to size, speed, and other qualities of boat or boats hereafter contracted for as may appear to be for the best interests of the Government.

Very respectfully, PAUL MORTON, *Secretary.*

The ELECTRIC BOAT COMPANY,
11 Pine Street, New York, N. Y.

(53.)

ELECTRIC BOAT COMPANY,
New York, N. Y., December 22, 1904.

SIR: Referring to your proposal of the 20th instant concerning submarine torpedo boats, made to and accepted by the Department, we transmit herewith tracings of the following plans:

Type 17—105-foot boat:
Plan No. C-850. General arrangement.
Plan No. B-851. General arrangement, sections.
Type 16—85-foot boat:
Plan No. C-803. General arrangement.
Plan No. B-849. General arrangement, sections.

We also transmit copies of proposed contracts for these boats, containing guarantees as to performance in all respects. The alterations in ink, made in the contracts, are valid and they are submitted in this form to avoid loss of time.

The plans and outline specifications above submitted represent generally the vessels we propose to construct in order to comply with the definite and detailed requirements contained in the proposed contract. The matter of detail plans and specifications is fully covered in the proposed form of contract and in the outline of specifications, in order that the Government's interests may be fully protected in matters of detail which it is impossible to present at the present time.

The price of the 105-foot boat, type 17, is $250,000; the price of the 85-foot boat, type 16, is $200,000.

Very respectfully,

ELECTRIC BOAT COMPANY,
By L. Y. SPEAR,
Vice-President.

The SECRETARY OF THE NAVY,
Navy Department, Washington, D. C.

[Third indorsement.]

NAVY DEPARTMENT, *December 28, 1904.*

Respectfully referred to the board on construction, via the office of the Judge-Advocate-General, for their information as to action heretofore taken by the Department, and for recommendation as to the accompanying contract and specifications.

By direction of the Secretary of the Navy.

B. F. PETERS.

(54.)

[Telegram.]

QUINCY, MASS., *January 3, 1905.*

PAUL MORTON,
Navy Department, Washington, D. C.

As Spear is ill and I do not wish to make journey to Washington unless necessary, may I ask you to wire me if the Lake Company has made the required stipulation; and if not, if you have awarded the two additional submarines to us?

FRANCIS T. BOWLES.

the provisions of the act making appropriations for the naval service for the fiscal year ending June 30, 1904, and for other purposes—this being the general programme of trials under which the *Fulton* was tested.

Copy of official correspondence from June 1, 1903, to date, inviting special attention to the Department's letter of December 7, 1904.

In transmitting this correspondence it is recommended that special attention be invited to the fact that the contention of Mr. Lake, as contained in his communication of January 25, 1905, to the Hon. E. J. Hill, that the Department had refused to permit a test of the Lake boat "unless the Lake company signed a statement that it would accept as final a trial of its boat alone and not side by side with a Government submarine, as clearly provided by law and demanded by the Lake company," is wholly without foundation in fact and clearly disproved by the phraseology employed by the Department, which was as follows:

"* * * that the boat which you submit to the Department for test is, at that time, finally completed, and that you are prepared to accept as final, for the purposes of this act, the result which your boat is capable of developing on trial at the present time."

This clause as written by the Department had a very simple and definite meaning and was intended to prevent either competitor from submitting a boat which was incomplete and claiming subsequent to the trial that its boat was not entirely in readiness, thereby compelling the Department to undertake an indefinite number of trials in order to determine the merits of respective competitive boats. It is also recommended that attention be invited to the fact that this particular statement which the Department insisted must be made by all competitors was not objected to by the Lake company at the time of its original submission on January 19, 1904, and not until December 3, 1904. The Lake company knew perfectly well, and had been so advised by the Department, that its condition had been formally accepted by their competitor; that such a statement could only refer to administrative methods; that it could not possibly be construed as limiting the character of the tests to be made, and was purely and solely to prevent incomplete boats being offered for trial.

It is believed that the correspondence on file in the Department (particularly the Department's letter of December 7, 1904) will satisfactorily dispose of the misstatement of fact which is made in the petition of Mr. Lake of January 25, 1905.

In order that the committee may be fully advised as to the requirements and penalties in connection with the submarine boats to be contracted for, it is recommended that they be furnished with a copy of the contract for these boats.

W. L. CAPPS,
Chief Constructor, U. S. Navy, Chief of Bureau.

SUPPLEMENT TO NO. 75.

NAVY DEPARTMENT,
Washington, February 16, 1905.

SIR: Referring to my letter of the 14th instant, forwarding for the information of the Committee on Naval Affairs copies of all correspondence between the Department and the Holland and Lake torpedo-boat companies concerning a test of submarine boats of the respective companies, and to the concluding paragraph thereof, in which I stated that copies of certain correspondence between Naval Constructor Woodward and Lawrence Y. Spear, of the Holland Torpedo Boat Company, which had just come to my knowledge, would also be sent for the information of the committee, I herewith inclose a copy of a letter dated the 15th instant from Naval Constructor J. J. Woodward, forwarding the additional correspondence above mentioned, making 9 inclosures.

Very respectfully,

PAUL MORTON, *Secretary.*

Hon. GEORGE EDMUND FOSS,
Chairman Committee on Naval Affairs,
House of Representatives.

P. S.—Inclosed find correspondence with board of inspection in republication of report of board on trial *Protector* (2 letters, 6 indorsements).

I also inclose copies of a personal letter written to me by Mr. Spear on April 19, 1904, marked "Inclosure No. 8," and my reply thereto, dated April 23, 1904, marked "Inclosure No. 9." These letters were omitted from those furnished Captain Dayton on the 7th instant, as they appeared to be written on subjects not connected with the competitive trials of submarines. I find, however, on the last page of each letter references to the condition of the *Fulton* when preparing for her trials, and therefore forward them herewith.

Very respectfully,

J. J. WOODWARD,
Naval Constructor, U. S. Navy.

The SECRETARY OF THE NAVY.

[Inclosure No. 1.]

NAVY DEPARTMENT,
BOARD OF INSPECTION AND SURVEY,
Washington, April 27, 1904.

MY DEAR SPEAR: Yours of the 25th instant is just received. I am very glad indeed to hear that you are able to push ahead at once with the work on the two periscopes, and I did not mail my letter to you until I had seen Capps sign the requisition that I had prepared for him, so that I can not imagine there being any further delay.

There came nearly being one, however, on account of my having put in a compass installation for the boat with the power-operated periscope. Of course a compass properly belongs to the Bureau of Equipment, but I knew that if it were ordered separately by that Bureau we would have an inevitable and probably extremely long delay, and so I asked Capps to see Admiral Manney and explain the circumstances to him, which he did, and so the requisition has gone through as I sent you (Construction and Repair supplying the compass installation), except that in order to prevent any further discussion I wrote the requisition slightly different from the copy of the items I sent you, in that the compass installation was called for as a part of the periscope installation, and I simply added the $300 for the compass installation to the cost of the periscope alone.

Capps hesitated over having the periscopes installed at Newport, but it seemed to me that if you would make the detail drawings, as I had provided for in the requisition, and if you would take pains to have Nelson and Fletcher give all necessary information, that there ought to be no trouble for their installing the work according to your plans. I hope that after you get the requisition formally and can see just when you are going to be able to deliver the periscopes at Newport, that you can forward a copy of the working plans by which the people at Newport are to be guided for installing the periscopes, sending one set to them directly and another set through the Bureau of Construction and Repair, so that they may have all the holes cut and other work done before you deliver the periscopes, so that the matter of getting them in place may be completed as soon as possible.

I only called for one independent compass installation, as it seemed to me that that was quite enough to test the advantages of fitting it, and that for the periscope hand-operated, at which the observer is to walk around on the inside of the boat, the compass installation would be in the way.

I am very glad indeed to hear that you are making better progress with the *Fulton* than you anticipated when you last wrote to the Department, and I would advise you not to write again to the Department until you have got the boat nearly ready for trial and in such a condition that you know that there will be no further delay.

To go back a moment to the periscopes, I found that the Bureau of Construction wanted to have a board sit on the matter before they did anything, but I finally got it arranged so that no board will be appointed until after you have furnished the three periscopes to the *Shark*, *Porpoise*, and *Plunger*, and then that a board be appointed to examine all three of them and decide which will be best to adopt as a standard for all the boats. By including the *Plunger's* periscope this will afford several months' use during the summer with the two instruments that we have just ordered for the *Shark* and *Porpoise*, and, as I understand from previous correspondence that optically they cover all the features of design which we will have to consider (as the *Plunger's* will only differ in that it will be installed in the conning tower and not through the

and try to arrange for such a distribution of the time as to get through with them in the week. I wish you would think over the programme which you have been given already, and think of the order of holding the various trials that you would consider best to have the boat follow, so that something will be done every day, while at the same time giving your men the best possible chance to keep in good condition, as the fact of the ability of the crew to operate the boat practically continuously day by day is a feature of merit in the trial that has got to receive a certain weight.

If you can write me beforehand informally your own personal views and those of Captain Cable, I will be glad to consider them, and it may help us get through with our work in the least time possible and at the same time in a manner equally satisfactory to yourselves and the board.

Very sincerely, yours,

J. J. WOODWARD.

Mr. L. Y. SPEAR,
Holland Torpedo Boat Company,
New Suffolk, Long Island, N. Y.

[Inclosure No. 4.]

[Note in pencil on original: "Copy given Mr. Spear at time trial of *Protector* was under consideration, this being same as that given Mr. Lake so character of trial would be understood. This is subject to change by board. (Signed) J. J. W."]

Order of procedure to be followed in making speed trials.

1. The speed trial in light condition (as described in paragraph Ia) will be made first, the vessel leaving all ballast tanks empty and all outfit to be used during any one of the trials on board (except consumable stores).

2. During this light-condition speed trial, after passing the end range of each of the first two runs over the measured mile, the boat will continue to hold the same course as when on the mile (as far as the then existing conditions of navigation will permit) for such time as may be desired by the captain of the *Protector* in order to be at a suitable distance from the beginning of the measured mile when starting for the return run over the mile course, and will then turn at full speed, using the full helm angle, through a half circle, so as to return over the course. The time of turning through 180 degrees and the diameter of the turning circle will be noted.

3. On completing the speed trial in light condition the boat will proceed immediately with the speed trial submerged, as described in paragraph Ic. To show that the boat is in diving condition she will make a preliminary dive at approximately full speed as soon as she can be ballasted and trimmed ready to do so. The time will be taken from the moment the boat completes the light-condition speed trial (when passing the last stake boat) until her "omniscope" is under water and only the signal mast is exposed. She will continue at this depth for this preliminary dive for at least four minutes.

4. After making this preliminary dive to show that the boat is in a suitable condition to make her submerged speed trial, that trial will be proceeded with. The boat will make the half turns after each one of the first two runs over the measured mile at full speed, using the full helm angle, and otherwise as described for the trial in light condition, excepting only that the hull and conning tower of the boat will be entirely submerged on the turns.

5. The speed trial in the awash condition will be made next. During this awash trial the omniscope must not be used. Means to prevent its use during the trial must be taken. The trial will be then proceeded with as described in paragraph Ib. The time the boat will stay below the surface during the dive made at the end of each run over the mile will be four minutes. After the boat's coming to the surface after this dive it will make a half turn after each of the first two runs over the measured mile course at full speed, using the full helm angle and otherwise as described for the trial in light condition, excepting only that the boat will be trimmed as when running in the awash condition of the mile course.

6. It will be observed from the above instructions that during these particular trials of the *Protector* the gasoline engines are to be the only motive power used during the trial in the light condition and the electric motors are to be the

4. The time at which each torpedo is fired will be taken, the accuracy with which the torpedo was discharged will be noted, said accuracy to be considered as consisting in properly discharging the torpedo in such a direction that it should hit the center of the target if the torpedo ran in a straight course, but will not include the accuracy of the run of the torpedo itself.

5. The time the vessel or any of its parts is visible above the surface while making its attack will be noted each time a torpedo is fired, together with the extent of surface of the boat exposed and the character of the surface disturbance of the water created by the motion of the boat or the periscope.

6. At no time should the submarine approach closer than ——— yards to the target, and special care must be taken that at the time of firing each torpedo no part of the boat should be visible except the upper portion of the periscope, and as little of that to be exposed as the conditions of the surface of the water at the time the torpedoes are fired will permit.

7. The maneuvering qualities of the submarine will be noted as indicated by the manner in which the various evolutions are performed.

[Inclosure No. 7.]

Order of conducting maneuvering trials.

The following maneuvering trials will be carried out with the vessel ballasted and trimmed in the condition under which the "awash" speed trials were performed:

(A) The vessel shall go ahead at the highest speed that can be obtained from the electric motor; and then—

The order will be given to reverse the electric motor and the time intervals taken; first, when the screws begin to back; second, when the vessel begins to move astern. The captain of the submarine will blow an "air whistle" to indicate to observer on accompanying vessel the instant when the order is given to reverse the electric motor, so that said observer shall be informed of the instant from which time is to be counted until the vessel begins to move astern. If possible to estimate the advance in yards of vessel from time whistle is blown until she begins to go astern, it should be done.

(B) The vessel being in the "awash" condition she shall go ahead at full speed, using the gasoline engine alone as a motive power; and then—

The order will be given to go astern, the gasoline engine being stopped and its clutch disconnected from the propeller shaft. The clutch of the electric motor will then be thrown into gear and the electric motor started astern, so that the motion of the vessel will be reversed. The time will be taken: First from the instant when the order is given to go astern until the screws begin to back; and, second, when the vessel begins to move astern, the times being taken, and the advances estimated as described in paragraph (A).

(C) The vessel shall continue going astern in each of the trials described under paragraphs (A) and (B) for a sufficient length of time to show whether she can be steered as desired when going astern.

(D) Anchor tests are not practicable except when vessel is in light condition. The anchor weighs —— pounds.

(E) If the vessel can remain at rest (the motive machinery being stopped) immersed at such depths that either the vessel is entirely submerged or only the upper portion of the periscope is visible, a trial to demonstrate this quality will be made. While so "balancing" men will be moved about in the boat and change in trim noted.

(F) The buoyancy of the vessel being regulated as desired by the captain of the submarine, the following trials will be made:

(*a*) The vessel will run full speed ahead under her electric motor, at a depth of about 16-18 feet, and will then have her motor reversed to full speed astern, and her behavior noted.

(*b*) The vessel will then be navigated, going ahead at the slowest speed at which she can be kept submerged at the depth of about 16–18 feet, and under efficient control.

(*c*) The vessel will then be navigated at a depth of 30 feet, and brought as quickly as possible from that depth to a point where her periscope is visible, and will then dive as quickly as possible to a depth of 30 feet; the time the periscope is visible should be as short as possible. Observer in accompanying vessel will note the time the periscope can be seen. At least 1 foot in length

As compared with the hand gear, the power instrument will enable a man to search the horizon very quickly and that without movement, the only disadvantage being the angles at which the images are seen. From personal experience I do not consider this a very great objection. Still I think it would be a good plan to have an opportunity for direct comparison, such as these two installations would afford.

Should the Department desire to spend the money, we have now developed an independent compass installation which could be fitted in connection with the periscopes, so that both helmsmen would have a compass, the object of this being to enable the commanding officer, who is assumed to be at the periscope, to keep a constant check upon the courses steered by his helmsmen. I have not worked out the details of this installation for this particular case, but, roughly speaking, I should say that it would cost about $300, delivered at Newport.

On the *Plunger* we are arranging for an instrument revolved by power and fitted on the conning tower. A separate steering station is arranged in the body of the boat just forward of the tower. The steering station in the tower being retained also, the conning tower station commands both compass and periscope, and the lower station commands compass alone. This, of course, is a better arrangement than that proposed for the *Porpoise* and *Shark*, since the commanding officer can remain at all times in the conning tower and be able to con his boat, either through the conning-tower lights or through the periscope or by the compass, while the independent helmsman holds her on the courses while the commanding officer is using the periscope.

All things considered, I think it would be best to send the instruments, together with the operating gear, etc., over to Newport for installation.

The time required for the work on the *Plunger* will be so much in excess of the time required to fit these instruments that I think it would be very wise to fit them. The estimate of time (thirty days) is based on the use of material which we have on hand for foreign orders, and in no other way could the apparatus be furnished in such a short time. This is especially so just now, as the tubing which we found it necessary to use in order to get the requisite stiffness is special, and the mill which manufactures it is at present broken down. The instruments for the foreign orders are somewhat different from the proposed ones in some respects, so that I can not touch some of the material until the question is decided, and under these circumstances, of course, I would like to have the matter practically settled as soon as possible, so as to know just what to do.

The instruments which we would propose to furnish as above, would show objects at their proper distances and would have the maximum intensity of light, so that you can see through them at night almost as well as with the naked eye.

As to the wisdom of fitting these instruments on the *Porpoise* and *Shark*, I think there can be no question, for eventually, of course, the boats will all be fitted with some form of a periscope installation, and no matter what details of installation may finally be decided upon the instruments now furnished would be used and the change in installation could be made at a comparatively trifling expense.

I am most anxious that the two boats in San Francisco should be provided with periscopes. They have a peculiar need for them in that it is very difficult for them to find practice grounds which are not infested with much shipping, and the weather and water conditions surrounding San Francisco Bay and its entrance are such that the periscope is of enormous importance in the fighting efficiency of the boats.

With regard to the work on the *Plunger*, we have not yet received the order from the Bureau of Supplies, although we expect it any day, as we sent in the tenders some time ago. The plans which we developed for the *Porpoise* had to be altered very materially for the *Plunger* on account of the different arrangements in that boat, but are now practically completed. I am having them traced, and will be ready to submit them as soon as we receive the formal order for the work. I very much regret the delay in this matter, as the *Plunger* will now be tied up practically all summer, whereas we had hoped this work could be done this winter so that a good lot of experience could be obtained this summer. We will of course rush it all that we possibly can, but it is not possible to crowd it a great deal as some of the materials are very difficult to get, and in addition the battery and other work interfere, since it is of the utmost importance that no foreign matter, chips, etc., should get into the battery.

NAVY DEPARTMENT,
Washington, February 13, 1905.

SIR: The report of the board of inspection and survey on the trial of submarine boats dated June 16, 1904, has been the subject of a private and confidential publication, a copy of which has been called to my attention. I am informed that Secretary Moody not only did not authorize the publication of this report, but expressly directed that it should not be published. I have myself given no orders for the publication of the report. I shall be glad to have any information that you or any other member of the board of inspection and survey may have as to the manner in which this report became accessible for the purpose of publication, and desire a statement whether such publication was authorized by your board or in any way facilitated by it, or by any member of the board.

Very respectfully,

PAUL MORTON, *Secretary.*

Capt. JAMES H. DAYTON, U. S. Navy,
President Board of Inspection and Survey,
Mills Building, Washington, D. C.

[First indorsement.]

BOARD OF INSPECTION AND SURVEY,
NAVY DEPARTMENT,
Washington, D. C., February 14, 1905.

Respectfully referred to the following members of the board and clerical force of the office for individual replies: Capt. E. H. C. Leutze, U. S. Navy; Naval Constructor J. J. Woodward, U. S. Navy; Commander I. S. K. Reeves, U. S. Navy; Commander T. M. Potts, U. S. Navy, and J. J. Curran, clerk of the board.

J. H. DAYTON,
Captain, U. S. Navy, President.

[Second indorsement.]

BOARD OF INSPECTION AND SURVEY, *February 14, 1905.*

Respectfully returned to the president of the board.

I have no information whatever as to how the report referred to became accessible for the purpose of publication.

I was not a member of this board when the trial in question took place.

E. H. C. LEUTZE,
Captain, U. S. Navy.

[Third indorsement.]

BOARD OF INSPECTION AND SURVEY, *February 14, 1905.*

Respectfully returned to the president of the board.

Mr. W. H. Moody, then Secretary of the Navy, authorized me to give a copy of the report of the trial of the submarine *Fulton* to Mr. L. Y. Spear, of the Holland Torpedo Boat Company, with the distinct proviso that this report was to be considered confidential until the Navy Department authorized its publication direct, and I so informed Mr. Spear when giving him the copy of the report.

J. J. WOODWARD,
Naval Constructor, U. S. Navy.

[Fourth indorsement.]

BOARD OF INSPECTION AND SURVEY, *February 14, 1905.*

Respectfully returned to the president of the board.

I have no knowledge "as to the manner in which this report became accessible for the purpose of publication," and desire to say that such publication was in no way facilitated by me.

I. S. K. REEVES,
Commander, U. S. Navy.

[Fifth indorsement.]

BOARD OF INSPECTION AND SURVEY, *February 14, 1905.*

Respectfully returned to the president of the board.

I was assigned to duty as member of the board January 10, 1905, and have no knowledge whatever of the report or its publication.

T. M. POTTS,
Commander, U. S. Navy.

Secretary MORTON. They are all considerably larger than the ones that we have now. One of them is about 105 feet long and the other three about 81 feet long, while the *Adder* class was about 64 feet long.

Admiral CONVERSE. One of them is considerably larger than the others.

Mr. DAYTON. Would it be incompatible with the public service for you to furnish us with all the correspondence between the Department and these different submarine boat companies, including the correspondence between Naval Constructor Woodward, who conducted the correspondence on behalf of the board that had this matter in charge, and including the letters of the different submarine torpedo boat companies, touching the tests and terms on these boats?

Secretary MORTON. I will be glad to give you anything that you want. While the actual compilation of the reports may have been performed by Mr. Woodward, the trials were conducted by the whole board, and all correspondence connected therewith and the report itself represent the views of the board and not any individual member. As the Lake company protested against the report being made public the Department has regarded it as confidential and therefore requests that it be not published, although there is no objection whatever to members of the committee seeing the original report.

Mr. DAYTON. I wish you would have that filed, then, with the committee, and especially the correspondence of Constructor Woodward with the various companies.

Mr. LOUDENSLAGER. Would it be against the interests of the public to file the contracts that you have made?

Secretary MORTON. I do not think it would; but all the details of the contracts and requirements to be fulfilled are not yet fully determined, this matter being now before the Board on Construction.

Mr. LOUDENSLAGER. Would not that give us some information as to what the Department was requiring of these people?

Secretary MORTON. The Department will furnish you with such information as will not be detrimental to the public interests.

Mr. LOUDENSLAGER. Very well.

Mr. DAYTON. Who are constructing the boats for you?

Secretary MORTON. The Fore River Company.

Mr. DAYTON. Who is the president of that company?

Secretary MORTON. Admiral Bowles.

Mr. DAYTON. The former Chief Constructor of the Navy?

Secretary MORTON. Yes, sir.

Mr. COUSINS. Is it the custom of the other nations to give out to the world the construction of their intricate submarines?

Secretary MORTON. No, sir; it is not. I do not know that you would care for the specifications, anyway. I did not understand that you wanted the specifications and plans. What you want is the correspondence, and in a general way what has been done.

Mr. DAYTON. Yes, sir.

Mr. ROBERTS. How many of these boats have we now?

Secretary MORTON. Eight, I believe.

Mr. ROBERTS. Were these contracts entered into after a test?

Secretary MORTON. Yes, sir.

Mr. ROBERTS. Did the Lake boat enter?

Secretary MORTON. No, sir; I think not, although it had the opportunity.

Mr. ROBERTS. Only one boat showed up in the test?

Secretary MORTON. Only the Holland type.

Mr. ROBERTS. If we could have the statements of the experiments that were made in the tests of these submarines, and of the opportunity for every boat to go into that contest, I would like to have that.

Secretary MORTON. I am not sure but what the Holland test was published.

Mr. ROBERTS. I would like to ask whether it is not true that England is equally reticent with other governments?

Secretary MORTON. I think so.

Mr. ROBERTS. So that France is not the only nation that succeeds in keeping secret what she has been doing with regard to submarines?

Secretary MORTON. No, sir; I think they are all reticent.

Mr. ROBERTS. Now, with regard to the copies of contracts which have been made, or which are about to be made, for the Holland torpedo boats, will it not be possible for you to furnish us such portions of those contracts as will indicate what the requirements are and the penalties imposed if the boats fail to come up to the requirements?

"November 30, 1903: Lake Torpedo Boat Company asks further for specific points of trial calculated to develop the specific features of the Lake type."

Mr. DAYTON. Wait a moment, Mr. Secretary, please. Those peculiar features of the Lake type, the diving, cutting-cable features——

Secretary MORTON. Yes, sir.

Mr. DAYTON (continuing). Were they allowed to be demonstrated?

Secretary MORTON. I will continue, and this will show for itself what was done.

"December 10, 1903: Department advises Lake Torpedo Boat Company that no changes in the general programme of trials are necessary.

"January 2, 1904: Lake Torpedo Boat Company advises Department that submarine boat *Protector* is ready for trial in accordance with programme of test formulated by the Board of Inspection and Survey.

"January 7, 1904: Lake Torpedo Boat Company advised that Board of Inspection and Survey will proceed to Newport, R. I., for trial of *Protector* as soon as Narragansett Bay is free from ice.

"January 16, 1904: Board of Inspection and Survey reports attempt at trial of *Protector* which was unsuccessful on account of ice in the bay. States that Lake Torpedo Boat Company has filed a letter with the Board detailing respects in which they consider the *Protector* deficient.

"January 19, 1904: Lake Torpedo Boat Company is advised that before it presents its boat for a competitive trial it should file a formal letter with the Department to the effect that the boat submitted is finally completed and that the company is willing to accept the result of the test as final for the purposes stated in the naval appropriation act approved March 3, 1903.

"May 16, 1904: President of the Board of Inspection and Survey advises the Lake Torpedo Boat Company that the Holland Torpedo Boat Company has reported to the Navy Department that their submarine boat will be ready for competitive trial on May 30. Suggests that if Lake boat is ready in all respects for this trial it would be of advantage to have the two boats tried at the same time.

"July 1, 1904: Lake Torpedo Boat Company gives 'reasonable notice' and requests to have its submarine boat tested under the provisions of act of Congress approved April 27, 1904.

"September 12, 1904: The Secretary asks Lake Torpedo Boat Company when it will be ready for trial.

"September 17, 1904: Lake Torpedo Boat Company advises Department that it will offer submarine for test at or near Newport News, Va., on third Tuesday in November, 1904

"September 24, 1904: Department advises Lake Torpedo Boat Company that it should file formal notice of final completion of boat to be tested as provided in letter of January 19, 1904, and also states preference that test should be held at Newport, R. I., under same conditions as former test of the submarine boat (Holland type) in June, 1904.

"September 26, 1904: Fred B. Whitney advises the Secretary that he will make personal call and 'shall be pleased to do everything possible you desire.'

"November 15, 1904: Fred B. Whitney advises the Secretary that work is being pushed on *Simon Lake X* and suggests December 5 or 6 to begin the test of the boat.

"November 22, 1904: Department advises Lake Torpedo Boat Company that board of inspection and survey has been ordered to hold itself in readiness to make an inspection of the *Simon Lake X* on December 5, 1904, and also requested formal statement as to readiness.

"December 3, 1904: The Secretary of the Navy wires Lake Torpedo Boat Company, Newport News, Va., asking whether the company will be ready for test on Monday, December 5.

"December 3, 1904: C. B. Orcutt, president Newport News Shipbuilding and Dry Dock Company, advises the Secretary that his company is building the *Simon Lake X*, which was to have been ready December 5. On account of unavoidable delays craft will not be ready, but will be ready for Government trial on December 22, 1904. (See reply dated December 12.)

"December 3, 1904: Simon Lake to Secretary of the Navy: States his view of the correspondence with the Department and says that the requirements of the Department as to test would have the effect of eliminating competition. States that he is practically refused competition 'by your refusal to proceed unless I sign the statement referred to.' (Refers to requirement that the boat submitted should be formally stated to be a finished boat, on which the

Mr. DAYTON. Have you any knowledge of what party prepared the rules—who prepared the rules—by which those tests were to be made? Of course you did not do it; it was done before your time.

Secretary MORTON. It was undoubtedly prepared in the chief constructor's office. Who did it I can not say. I presume that the constructor did it who was charged especially with looking after the submarine boats.

Mr. DAYTON. Do you know whether the Holland company was permitted to submit to the party having that in charge the rules that would be made, and whether those rules were adopted or not?

Secretary MORTON. I do not.

Mr. DAYTON. I wish you would discover that and tell me. What was the purpose or object of the Department in making a condition in the contract which they compelled all the companies to sign, to the effect that they would not make any substantial changes in the construction, instead of giving full opportunity for a boat to be improved upon if it could be improved upon?

Secretary MORTON. That is because they would be continually changing and making improvements, and they would never be ready for the test, on the plea that the boats were not completed and were not finished, and there would be always something else to do in order to keep the matter from being completed.

Mr. TATE. It was to keep them from wanting innumerable tests?

Secretary MORTON. Yes, sir.

Mr. DAYTON. Was any other boat offered besides the Holland?

Secretary MORTON. No, sir.

Mr. DAYTON. The Government had a Holland boat?

Secretary MORTON. Yes, sir.

Mr. DAYTON. Was there ever an agreement that there should be a competitive test between that Government boat, as the law provided, and either the Lake or any other boat? Was it ever allowed to go into a competitive contest with the Lake or any other boat?

Secretary MORTON. No, sir; it was not.

Mr. DAYTON. It was not?

Secretary MORTON. As near as I understand, it was not.

Mr. DAYTON. Neither of the companies wanted a competitive test with the other?

Secretary MORTON. That is the inference that I drew.

Mr. DAYTON. The correspondence indicated that they asked for that, and instead of that the Government said they would make a comparison, make an examination of the Lake boat and a comparison of it with the Government boat.

Now, I would like to have you answer me as to whether there was any other boat, any submarine boat, put in the contest or submitted?

Secretary MORTON. All I know about it, Mr. Dayton, is in the record that I have just read, and this all occurred before I came into the Department.

Mr. DAYTON. I know that. Have you any knowledge of a subsurface boat being offered and cut out on a technical objection to the language to the bill?

Secretary MORTON. I came to the Department on the 1st day of July, and I did not know anything about a subsurface boat until some time this January, when the man who patented it—what is his name?

Mr. DAYTON. I do not know.

Secretary MORTON (continuing). Came to me and asked about it, and I said that I never had heard of his subsurface boat, and I did not know anything about it at all. He said that he was rather surprised to know that, and yet he thought that that might be the case. He was surprised in a way, and yet at the same time he was not surprised. Until then I did not know there was such a thing as a subsurface boat, myself.

Mr. VANDIVER. Let me suggest that the Secretary finish the record which he was reading. I think he stopped with the notice that was sent to them that the remaining part of that appropriation would be withheld until another trial could be held, if they would guarantee to meet it. What answer was made to that?

Secretary MORTON. They did not answer the letter, and they did not answer my telegrams. As I say, Mr. Lake came afterwards to see me.

Mr. MUDD. About the 4th of January?

Secretary MORTON. I think it was on the 5th that he was here.

Mr. MUDD. Of this present January?

Secretary MORTON. Yes, sir.